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ANNUAL REPORT
2018 - 2019

KMC Speciality Hospitals
(India) Limited

ANNUAL REPORT 2018-19
KMC SPECIALITY HOSPITALS (INDIA) LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr S Chandrakumar	Executive Chairman (Whole-Time) (From 29 th September, 2018)
Dr S Manivannan	Managing Director (From 1 st October, 2018)
Dr D Senguttuvan	Executive Director (Upto 30 th August, 2018)
Dr S Aravindan	Director (From 31 st August, 2018)
Dr T Senthil Kumar	Director
Mr A Krishnamoorthy	Independent Director
CA S Chenthilkumar	Independent Director
Mr N Bala Baskar	Independent Director
Mr Adithya Bharadwaj	Nominee Director (Upto 30 th August, 2018)
Mr A Ganesan	Nominee Director (From 31 st August, 2018)
Mrs Jeyanthei Narayanaswamy	Independent Director (From 30 th August, 2018)
Mr Dandapani Swaminathan	Independent Director (From 29 th December, 2018)
Mr K Anand Babu	Chief Financial Officer (From 30 th May, 2019)
Ms Akshaya H	Company Secretary & Compliance Officer (From 30 th May, 2019)

BANKERS

State Bank of India
HDFC Bank
Yes Bank
City Union Bank
Punjab National Bank
Axis Bank

AUDITORS

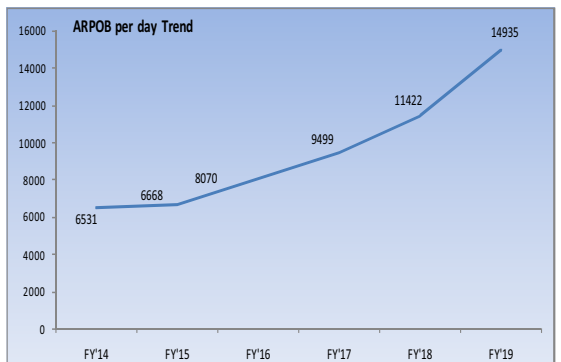
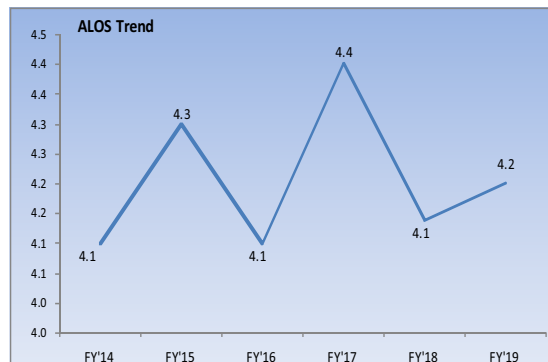
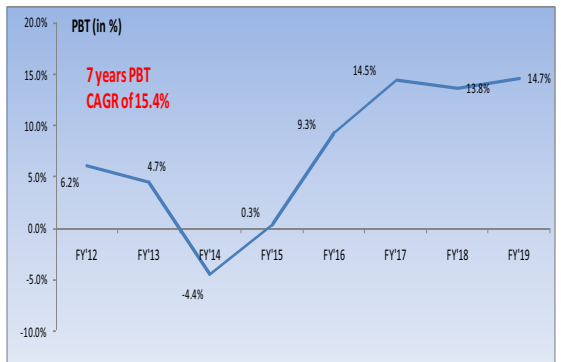
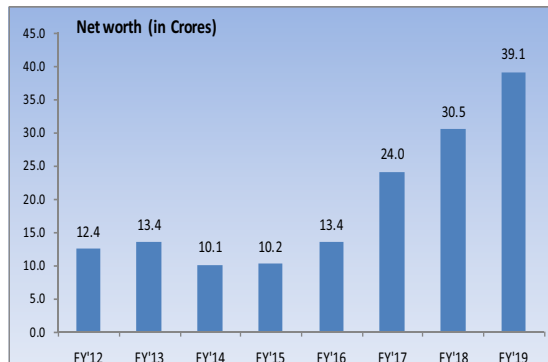
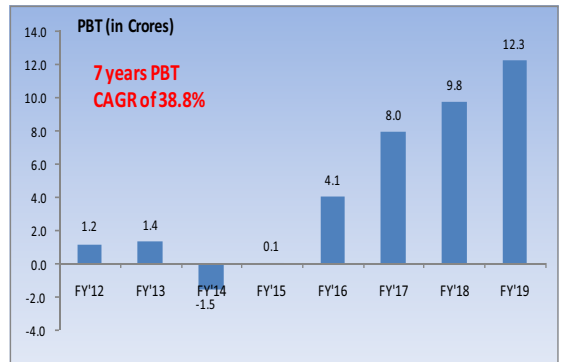
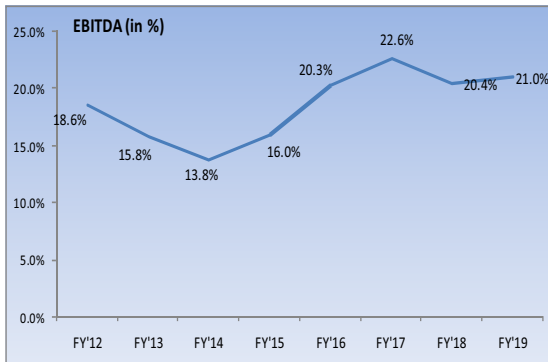
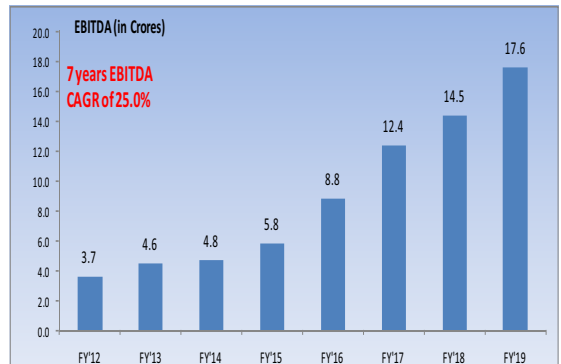
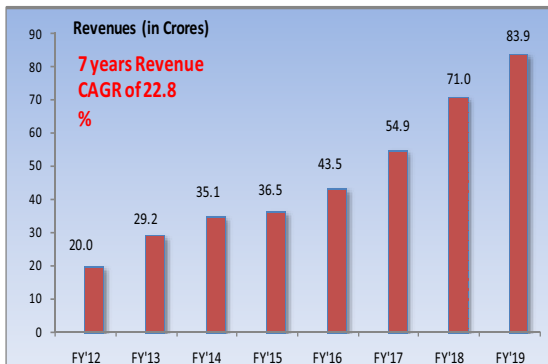
M/s. B S R & Co. LLP
Chartered Accountants
10, Mahatma Gandhi Road
Chennai – 600034

REGISTERED & CORPORATE OFFICE

6, Royal Road, Cantonment
Trichy - 620 001
CIN: L85110TN1982PLC009781
E-mail: corporatecompliance@kauveryhospital.com
Website: www.kauveryhospital.com

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED
CIN: L85110TN1982PLC009781
REGISTERED OFFICE: NO: 6, ROYAL ROAD, CANTONMENT, TRICHY - 620001

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **THIRTY SIXTH ANNUAL GENERAL MEETING** of the members of the Company will be held on **Thursday, the 26th day of September, 2019** at **10.30 AM** at Hotel Sangam, Collectorate's Office Road, Cantonment, Trichy – 620001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. T. Senthil Kumar (DIN: 01742558), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, the following Resolution as ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No.008072S), Chennai be and are hereby appointed as Statutory Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the forty first Annual General Meeting of the company as recommended by the Audit Committee and approved by the Board of Directors of the Company, at such remuneration as may be fixed by the Board of Directors of the Company in addition to the traveling and out of pocket expenses.”

SPECIAL BUSINESS:

4. **Appointment of Mr Dandapani Swaminathan (DIN: 01852739) as an independent director of the company**

To consider and if thought fit, to pass, the following Resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Dandapani

Swaminathan (DIN 01852739), who was appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director to hold office for an initial term of 5 consecutive years with effect from 29th December, 2018 to 28th December, 2023.

5. To approve the continuation of independent directorship of Mr. A Krishnamoorthy (DIN: 00386122) who would be attaining 75 years of age

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and other applicable provisions if any, and based on the recommendation by the board of directors, consent of members of the Company be and is hereby accorded for continuation of Directorship of Mr. A Krishnamoorthy (DIN: 00386122) who was re-appointed as Independent Director of the Company for a period of 5 years at the 35th Annual General Meeting of the Company held on 28th September, 2018 with effect from 1st April, 2019 to 31st March, 2024 by way of special resolution and who would be attaining the age of 75 years, for the remaining period of his existing term of Directorship as Independent Director of the Company.”

“RESOLVED FURTHER THAT The Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

By the order of the Board

Place: Chennai
Date: 13th August 2019

Akshaya H
Company Secretary

Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the act"), concerning the Special business in the notice is annexed hereto and forms part of this notice. The profile of the directors seeking

appointment/reappointment, as required in terms of clause 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed.

2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. The instrument appointing the proxy and the power of Attorney or other authority, if any, under which it is signed or a notarized certified copy of the power or other authority shall be lodged with the Registered Office at least 48 hours before the meeting. A proxy form is sent herewith. The proxy shall not be entitled to vote except on a poll.**
3. Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the board resolution/power of attorney authorizing their representative to attend and vote on their behalf at the meeting.
5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 20th September, 2019 to 26th September, 2019 (both days inclusive).
6. Members, proxies and Authorised Representatives are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting. Copies of the Annual Report will not be provided at the venue of the Annual General Meeting.
7. A route map showing directions to reach the venue of the 36th Annual General Meeting is given along with this Notice as per the requirement of the Secretarial Standard – 2 on “General Meetings”.
8. Members are requested to notify Change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares members are requested to advise any change of communication address immediately to the Registrar and Transfer Agent, Viz. M/s Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai - 600002. Further, reminders have been sent thrice to the shareholders holding shares in physical form through our Registrar and Transfer Agent to their registered address insisting

shareholders to provide PAN and bank a/c details pursuant to directions given by SEBI circular.

9. Shareholders desiring any information as regards to financial statements are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.
11. The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices/ documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors Report, Auditors Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders. In case you are desirous of having a printed copy of Annual Report 2018-19, you may write to us at cs.kmcshil@kauveryhospital.com or at the registered Office of the Company. The Annual report of the Company can be accessed at www.kauveryhospital.com/investors# in the investor section. Electronic copy of the Annual Report for the year 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2018-19 is being sent in the permitted mode. Electronic copy of the Notice of the 36th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 36th Annual General Meeting of the Company along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members may also note that the Notice of the Thirty Sixth Annual General Meeting and the Annual Report for the year 2018 - 19 will also be available on the Company's website www.kauveryhospital.com/investors# for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Trichy for inspection during normal business hours on working days, except Saturdays, Sundays and public holidays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the

same, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id:cs.kmcshil@kauveryhospital.com.

13. The Notice and the Route map for the venue of the Annual General Meeting is hosted on the Company's website and can be accessed at <http://www.kauveryhospital.com/investors#>.
14. The Company is pleased to provide members a facility to exercise their right to vote on the resolutions as set out in the Notice by 'electronic means' (i.e. voting electronically from a place other than the venue of the General Meeting) and all the businesses may be transacted through e-voting services provided by Central Depository Services (India) Limited. The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015. The E-Voting instructions/ procedure and details of Scrutinizer for the E-voting process is provided elsewhere in the report.
15. The remote e-voting period starts on Monday, 23rd September, 2019, 10:00 AM (IST) and ends on Wednesday, 25th September, 2019 at 05:00 PM (IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2019 may cast their votes electronically.
16. The Facility for voting through Ballot paper shall be made available at the 36th Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper.
17. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the meeting but shall not be entitled to cast their vote again.
18. The Company's website is www.kauveryhospital.com. Annual Reports of the Company and other shareholder communications are made available on the Company's website.
19. All the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is investor@cameoindia.com mentioning the Company's name i.e., KMC Speciality Hospitals (India) Limited so as to enable the Company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.
20. The Register of Directors and their shareholding, maintained u/s 170 of the Companies

Act, 2013 and Register of Contracts or Arrangements in which Directors are interested maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection by the members of the Company at Registered office of the Company during business hours 10:00 A.M. to 06:00 P.M. (except Saturday and Sunday) up to the date of Annual General Meeting and will also be available during the Annual General Meeting.

Explanatory Statement (Pursuant to Regulation 36(5) of the SEBI (LODR) Regulations, 2015

The following Explanatory Statement sets out all the material facts relating to the Appointment of Statutory auditors Pursuant to Regulation 36(5) of SEBI (LODR) Regulations, 2015

Item No. 3: To consider the appointment of statutory auditors of the company

The company proposes to appoint M/s. Deloitte Haskins & Sells LLP, Chennai as the statutory auditors of the Company for a period of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of the Forty First Annual General Meeting.

Pursuant to Regulation 36(5) of SEBI (LODR) Regulations, 2015

a) Proposed fees payable to the statutory auditor(s) – Rs.18,50,000/- p.a.

b) Terms of appointment – 5 years from the conclusion of this Annual General Meeting

c) Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:

There is a reduction in the proposed fee payable to the incoming auditors to the extent of Rs. 4,00,000/- from the fee paid to the outgoing auditor. The reason for such change is due to the implementation of SAP by the company and streamlining of systems and process over last five years, the volume of man days to be spent by incoming auditor will be less than that of the earlier one.

d) Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed

Company would like to appoint any one of the BIG FOUR Statutory Audit firm as Statutory auditors of the company. Since, KPMG being the current auditor, company would like to appoint