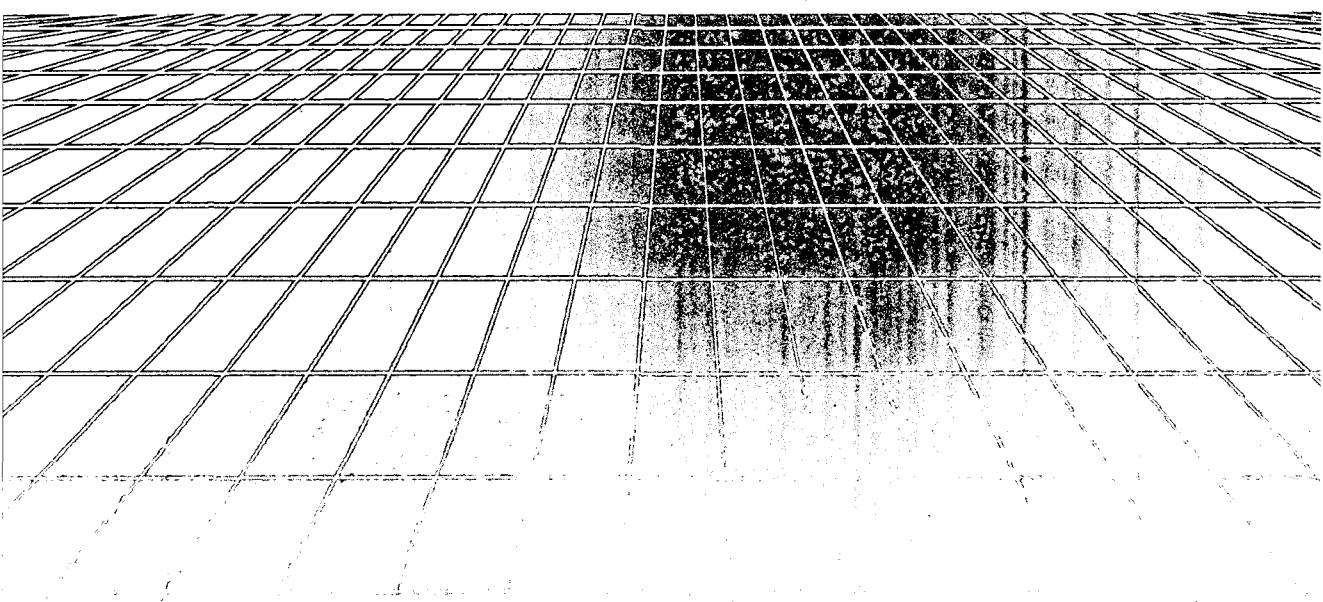


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YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

KOVAI MEDICAL CENTER AND HOSPITAL LIMITED  
 AVANASHI ROAD • COIMBATORE 641 014.



12th Annual Report 1998





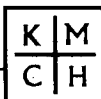
KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

**BOARD OF DIRECTORS****Dr. Nalla G. Palaniswami***Chairman Cum Managing Director***Dr. K.C. Ramaswami***Director***Dr. M.C. Thirumoorthi***Director***Dr. P.R. Perumalswami***Director***K.M. Subramaniam***Director**(Alternate to Dr. P.R. Perumalswami)***Kasi K.Goundan***Director***N. Sengottaiyan***Director**(Alternate to Kasi K.Goundan)***M.Manickam***Director***A.K.Venkatasamy***Director***A.M.Palaniswamy***Director***Dr. K.S.K. Murugaiyan***Director***V.V. Nathan***Director***K.Baskaran***ICICI Nominee Director***COMPANY SECRETARY***S.P. Chittibabu***FINANCIAL CONTROLLER***K.P. Murali***REGISTERED OFFICE  
& HOSPITAL COMPLEX***Post Box No. 3209**Avanashi Road**Coimbatore 641 014***SATELLITE CENTERS**

1. Bhavani Main Road,  
Perundurai.
2. Ramnagar,  
Coimbatore

**LEGAL ADVISORS***Ramani & Shankar**Advocates, Coimbatore***AUDITORS***S.V.Jayaraman & Co**Chartered Accountants**Chennai***BANKERS***Canara Bank**ICICI Banking Corporation Ltd**State Bank of India**Bank of India*

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the Meeting.



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## KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

### NOTICE

Notice is hereby given that the **Twelfth Annual General Meeting** of the Members of Kovai Medical Center and Hospital Limited will be held on **Wednesday, the 16th day of September 1998 at 3.30 p.m.** at **"A.P. Kalyana Mandapam", 738/2 Avanashi Road, Goldwins, Coimbatore - 641 014** to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 1998 and the Balance Sheet as at that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr.M.C. Thirumoorthi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.A.K. Venkatasamy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.A.M. Palaniswamy, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution** :

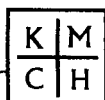
**"RESOLVED THAT** pursuant to Section 224A and other applicable provisions, if any, of the Companies Act, 1956 S.V. Jayaraman & Co., Chartered Accountants, the retiring auditors of the Company be and are hereby reappointed as auditors of the Company, to hold office from the conclusion of the 12th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs. 85,000/- and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit."

### NOTES :

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT COIMBATORE NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK PROXY FORM IS ANNEXED TO THE ANNUAL REPORT.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 12th September 1998 to 16th September 1998 (both days inclusive).
3. The Members are requested to notify to the Company immediately any change in their address.

Coimbatore  
August 5, 1998

By order of the Board  
**S.P.CHITTIBABU**  
Company Secretary

**DIRECTORS' REPORT**

To the Members,

Your Directors take pleasure in presenting the Twelfth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March 1998.

**CORPORATE RESULTS**

PARTICULARS	31.3.98	31.3.97
	(Rs. in Lacs)	
Turnover	2068.06	1799.83
Profit before interest and depreciation	580.17	484.39
Interest	229.49	238.63
Cash Profit	350.68	245.76
Depreciation and non-cash charges	140.58	122.67
Profit for the year	210.10	123.09
Prior period expenses	2.24	9.33
Provision for Taxation (MAT)	6.50	—
Balance profit carried to Balance Sheet	201.36	113.76

**REVIEW OF OPERATIONS**

You will be pleased to note that your Medical Center has performed better during the current year as compared to last year registering an increase of 77% in net profit. Increased focus on expenditure control, better performance by core medical specialities and closer monitoring of various other operative inputs have helped to post higher margins. During the year your Medical Center and Hospital has been able to further consolidate its operations by achieving necessary synergies. In keeping with your Medical Centers' focussed objective of providing value-added patient services, certain Hi-tech Medical Equipments like Colour Dopplers, Centrifuge, Heart Lung Machine etc., were acquired and installed during the year to provide maximum benefit and comfort to the patients seeking the best in medication. These Medical Equipments have definitely given your Medical Center an edge in Medical Technology and help in offering advanced surgical procedures in areas like Cardio-thoracic and Vascular Surgery and Interventional Cardiology/Radiology procedures, Blood component therapy etc., The Cardio-thoracic Department as usual continued to perform well. Your Medical Center organised various Conferences and Seminars of Medical interest during the year to assimilate the latest trends in various medical specialities. These received adequate response. The Master Health Check programmes have also been able to generate more interest among various segments of public and performed well during the year under review.

The Satellite Medical Center at Perundurai continued to contribute to the profitability of your Medical Center.

**FUTURE PROSPECTS**

In consonance with its corporate philosophy, your Medical Center will continuously strive to access sophisticated medical technologies to provide the best in patient services and play a definite role in curative care. Personalised patient care services by trained Doctors and supporting personnel will remain the key focus area in patient management services.



## KOVAL MEDICAL CENTER AND HOSPITAL LIMITED

In keeping with international standards, all patient services will undergo continuous review to upgrade the Hospital services satisfactorily and ensure that every patient gets best medical attention every time at affordable cost.

Suitable strategies will be adopted to achieve higher growth levels - both in terms of value (increased revenue) and volume (increased patient-loads). These include rendering of patient-friendly medical services, modernisation and updation of critical medical equipments on regular and continuous basis, laying thrust on core departments, optimising the utilisation of high value, hi-tech medical equipments etc.,

### DIRECTORS

Dr.M.C. Thirumoorthis, Mr.A.K. Venkatasamy and Mr. A.M. Palaniswamy retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

### PARTICULARS OF EMPLOYEES

Information in accordance with sub-section 2A of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Amendment Rules, 1994, for the year ended 31st March, 1998 are set out in the Annexure which forms part of this Report.

### INFORMATION AS PER SECTION 217(1)E OF THE COMPANIES ACT, 1956

Since the Company is in service industry and does not do any manufacturing activity, the particulars regarding conservation of energy and technology absorption in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable. The particulars regarding foreign exchange inflow and outgo appear as item no.19 in Notes on Accounts.

### DEPOSITS

The Company has not accepted any deposits from the public during the year.

### AUDITORS

The Auditor of your Company S.V. Jayaraman & Co., Chartered Accountants hold office until the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

The Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

### HUMAN RESOURCES DEVELOPMENT

Great emphasis is laid on the development of Human Resources for increasing the productivity of operations. The relations with Doctors and Employees have been cordial.

Your Board places on record its appreciation for the services rendered by Doctors and Employees.

### ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the continued co-operation and assistance extended by the Financial Institutions viz. ICICI, IDBI, IFCI & Bankers and look forward to their continued support in the years to come.

Coimbatore  
August 5, 1998

For and on behalf of the Board  
**Dr. NALLA G. PALANISWAMI**  
Chairman Cum Managing Director

**ANNEXURE TO DIRECTORS' REPORT**

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 1994.

Sl. No.	Name	Designation	Qualification	Age (Yrs).	Expe-rience (Yrs).	Date of Commence-ment of Employment	Remune-ration received (Rs.)	Last Employment	
								Employer's Name	Post Held
1.	Dr.Nalla G. Palaniswami	Chairman Cum Managing Director	MD.AB (USA)	56	33	1.10.1989	4,98,000	Hyper-tension obesity & Risk Factor Clinic, Wayne State University, USA	Endocrino- logist

**Notes :**

1. Nature of Employment whether contractual or otherwise : Contractual and he is appointed for a period of 5 years at a time.
2. In accordance with the clarification given by the Department of Company Affairs, remuneration has been computed on the basis of actual expenditure incurred by the Company.
3. Mr.N. Sengottaiyan, Director of the Company is relative of the above employee.