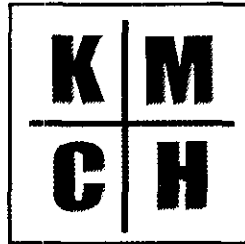


KMCH



KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

AVANASHI ROAD COIMBATORE 641 014.

14th Annual Report 2000



KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

BOARD OF DIRECTORS

Dr. Nalla G Palaniswami
Chairman Cum Managing Director

Dr. Thavamani Devi Palaniswami
Joint Managing Director

Kasi K Goundan
Director

M.Manickam
Director

Dr. K.S.K. Murugaiyan
Director

A.M.Palaniswamy
Director

Dr. P.R. Perumalswami
Director

Dr. K.C. Ramaswami
Director

Dr. M.C. Thirumoorthi
Director

A.K.Venkatasamy
Director

N. Sengottaiyan
Director
(Alternate to Kasi K Goundan)

K.M. Subramaniam
Director
(Alternate to Dr. P.R. Perumalswami)

Dr. A.C. Kulkarni
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
Tel : 91-422-827784-90 Fax : 827782
Email : kmch@md2.vsnl.net.in
Website : www.coimbatore.com/kmch

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

LEGAL ADVISORS
Ramani & Shankar
Advocates, Coimbatore

AUDITORS
S.V.Jayaraman & Co
Chartered Accountants
Chennai - 600 083.

REGISTRARS & SHARE TRANSFER AGENT
GNSA Investor Services (P) Ltd
No. 1/302, 2nd Floor
52nd Street, 7th Avenue
Ashok Nagar
Chennai - 600 083.

BANKERS
Canara Bank
ICICI Banking Corporation Ltd
State Bank of India
Bank of India

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**KOVAI MEDICAL CENTER AND HOSPITAL LIMITED****NOTICE**

NOTICE is hereby given that the **Fourteenth Annual General Meeting** of the Members of Kovai Medical Center and Hospital Limited will be held on **Saturday, the 16th day of September 2000** at **3.15 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 2000 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.K.C.Ramaswami, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr.K.S.K.Murugaiyan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr.M.C.Thirumoorthi, 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, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 224A and other applicable provisions, if any, of the Companies Act, 1956 M/s S.V.Jayaraman & Co., Chartered Accountants, the retiring auditors of the Company be and are hereby re-appointed as auditors of the Company, to hold office from the conclusion of the 14th Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs.1 Lac and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT Dr.Thavamani Devi Palaniswami who was appointed as an Additional Director of the Company with effect from July 29, 2000 under section 260 of the Companies Act, 1956 and who holds office upto this Annual General Meeting be and is hereby appointed as a Director of the Company."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force), the consent of the Company be and is hereby accorded to the appointment of Dr.Thavamani Devi Palaniswami as a Joint Managing Director of the Company for a period of 5 years with effect from 29.7.2000, on the terms and conditions including remuneration as are set out hereunder with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board and Dr.Thavamani Devi Palaniswami."

K	M
C	H

KOVAI MEDICAL CENTER AND HOSPITAL LIMITED**1. SALARY**

Rs.19,000/- (Rupees Nineteen thousand only) per month.

2. PERQUISITES**a. House Rent Allowance**

House rent allowance not exceeding 50% of the salary.

b. Medical Expenses

Premium for Medical Insurance Policy/Medical Expenses reimbursement for self and family not exceeding 10% of the salary.

c. Gas, Electricity and Water

Reimbursement not exceeding 10% of the salary.

d. Leave Travel Concession

Leave travel concession for self and family in accordance with the rules specified by the Company.

e. Club Fees

Payment of fees to two clubs excluding admission and life membership fees.

f. Personal Accident Insurance

Premium not exceeding Rs.4,000/- per annum.

g. Any other perquisites as may be allowed by the Board of Directors of the Company.

In addition to the above perquisites Dr.Thavamani Devi Palaniswami, Joint Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on perquisites referred above.

a. Contribution to Provident Fund to the extent not taxable under the Income Tax Act.**b. Gratuity at the rate of half a month's salary for each completed year of service.****c. Encashment of leave at the end of tenure as per the rules of the Company.**

Provision of Car for use on Company's business and telephone at residence including long distance calls shall not be considered as perquisites.

The Joint Managing Director shall not be entitled to any sitting fees for attending the meeting of the Board or Committee thereof.

The Joint Managing Director shall be entitled to reimbursement of travelling expenses and entertainment expenses actually incurred in the course of the Company's business.

The above salary and perquisites may be paid as minimum remuneration even in the event of loss or inadequacy of profits in any year.



KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

3. COMMISSION

1% commission of the net profit of the Company, subject to the maximum ceiling specified in Section I of Part II of Schedule XIII to the Companies Act, 1956."

By order of the Board

Coimbatore
July 29, 2000

S.P.CHITTIBABU
Company Secretary

NOTES

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED WITH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September 2000 to 16th September 2000 (both days inclusive) in connection with the Annual General Meeting.
4. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business under Item No.6 & 7 are annexed hereto.
5. The members are requested to inform the Company immediately any change in their address.
6. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of Annual Report to the meeting.

**KOVAI MEDICAL CENTER AND HOSPITAL LIMITED****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS MENTIONED UNDER ITEM NO.6 & 7 OF THE NOTICE OF THE ANNUAL GENERAL MEETING****Item No.6**

As required under Section 257 of the Companies Act, 1956 notice has been received from a member signifying the intention to propose Dr. Thavamani Devi Palaniswami as Director. Pursuant to Article 75 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956, Dr. Thavamani Devi Palaniswami was appointed as Additional Director of the Company with effect from 29.7.2000 by the Board of Directors and she will hold office upto the date of this Annual General Meeting.

In view of her wide experience, it is desirable that the Company avails of her service as member of the Board.

Dr. Thavamani Devi Palaniswami is interested in the resolution. In addition to that Dr. Nalla G Palaniswami, Dr. K.S.K.Murugaiyan, Dr. P.R.Perumalswami and Mr. K.M.Subramaniam are interested in the resolution since they are related to Dr. Thavamani Devi Palaniswami.

The Board recommends this resolution for your approval.

Item No.7

Dr. Thavamani Devi Palaniswami is one of the main promoters of the Company and she is actively associated with the growth of the Hospital since its inception. She is a qualified Paediatrician having worked in various Hospitals in U.S.A. for more than 15 years and gained valuable experience in Hospital Management. Considering her rich experience the Board of Directors by resolution passed at their meeting held on 29.7.2000 appointed Dr. Thavamani Devi Palaniswami as Joint Managing Director for a term of 5 years with effect from 29.7.2000.

The terms and conditions of her appointment appears in the text of the ordinary resolution and also refers to the minimum remuneration payable to Dr. Thavamani Devi Palaniswami as Joint Managing Director. The remuneration and perquisites proposed are within the limits prescribed in Part II of Schedule XIII to the Companies Act, 1956. In the event of inadequacy or absence of net profits the remuneration payable shall be the maximum permissible under the provisions of Schedule XIII to the Companies Act, 1956.

This may also be treated as an abstract of the terms and conditions of the contract and memorandum of interest concerning the appointment and remuneration of Dr. Thavamani Devi Palaniswami as Joint Managing Director.

Dr. Thavamani Devi Palaniswami, Dr. Nalla G Palaniswami, Chairman and Managing Director and Dr. P. R. Perumalswami, Dr. K.S.K. Murugaiyan and Mr. K.M. Subramaniam, Directors are deemed to be interested in the above resolution.

The Board commends this resolution for your approval.

By order of the Board

Coimbatore
July 29, 2000

S.P.CHITTIBABU
Company Secretary



KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the Fourteenth Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March 2000.

CORPORATE RESULTS

PARTICULARS	31.3.2000	31.3.1999
	(Rs. in Thousands)	
Turnover	219628	212217
Profit before interest and depreciation	53646	50346
Interest	17312	20891
Cash Profit	36334	29455
Depreciation and non-cash charges	18538	16843
Profit for the year	17796	12612
Prior period expenses	389	2658
Provision for Taxation (MAT)	2141	1045
Balance Profit carried to Balance Sheet	15266	8909

REVIEW OF OPERATIONS

You will note that the performance of your Medical Center and Hospital in terms of turnover has shown only a very marginal increase during the year under review. However the Net Profit has increased to Rs.15266 thousands from Rs.8909 thousands showing an increase of 71%. This has been possible by implementing stringent expenditure control measures, better working capital management and optimisation of various utilities.

During the year under review, your Medical Center and Hospital has been able to wipe off all the past accumulated losses incurred during the gestation period of operations. Since our last report, your Hospital has acquired certain additional and updated Medical Equipments like Dialysis Machine, Stereotactic Machine etc.,

The acquisition of these Medical Equipments are part of the strategy of your Medical Center to always have a cutting-edge in medicare services.

You will be glad to note that your Medical Center and Hospital has completed 10 years of operations. As part of 10th Anniversary celebrations, your Medical Center has organised various focussed programmes to create awareness in different medical super specialities. As part of its social responsibility, your Medical Center has inaugurated Trauma Care Center in alliance with Rotary Club of Coimbatore in different locations. Apart from this, your Hospital has been organising various camps in specialities like Orthopaedics, Cardiology, Cancer Screening, Neurology, Pulmology, ENT and other medicare services widely.

FUTURE PROSPECTS

The future holds promise for your Medical Center and Hospital. Health Insurance is now open to the private sector in India and is expected to act as a catalyst for the growth of quality health care in the country. This will also contribute to the further growth of your Medical Center in the coming years.