

33rd
Annual Report
2018-19



Kovai Medical Center and Hospital Limited

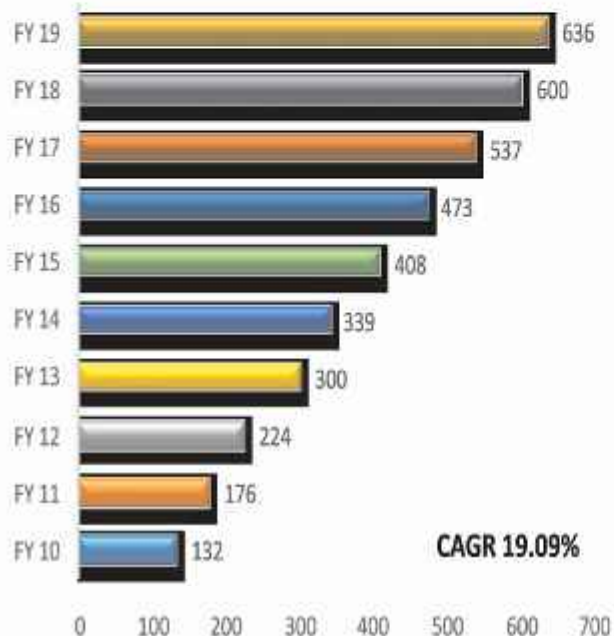
Excellence in Healthcare



10 YEARS AT A GLANCE

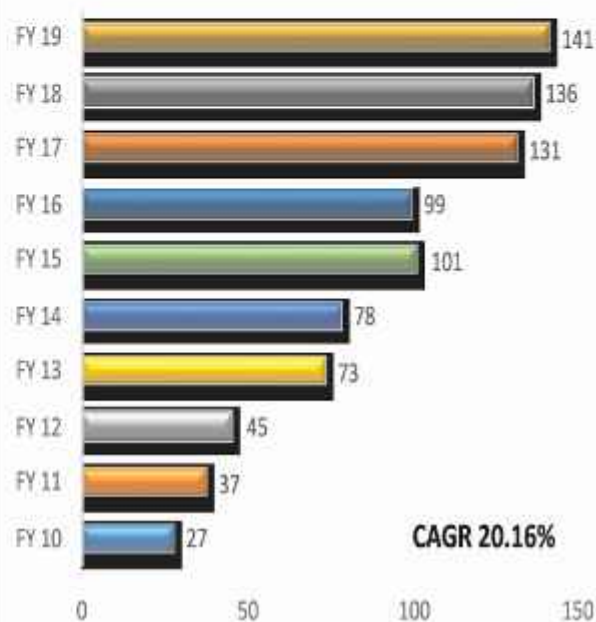
Revenue

₹ crore



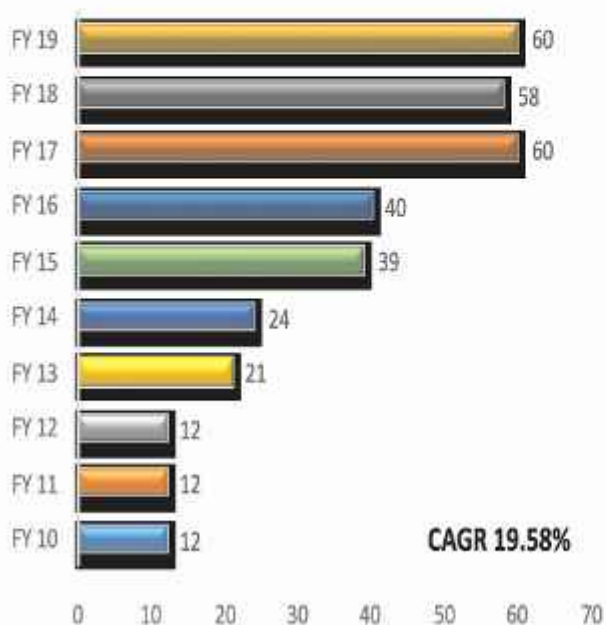
EBITDA

₹ crore



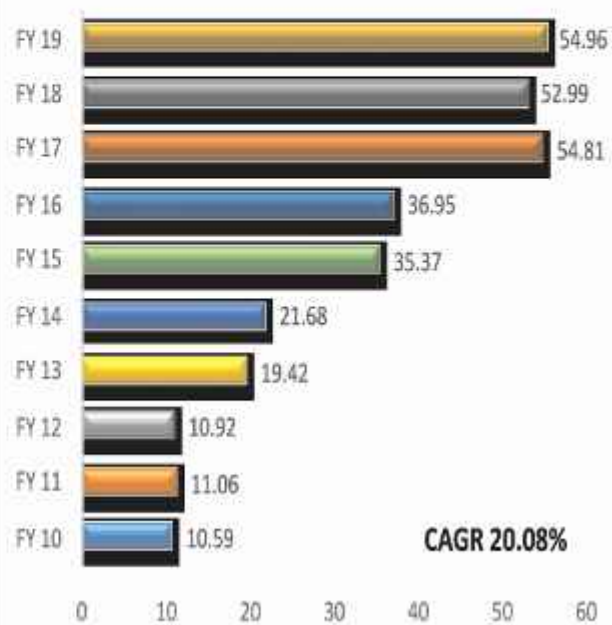
Profit After Tax[PAT]

₹ crore



Earnings Per Share[EPS]

₹





KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

BOARD OF DIRECTORS

Dr. Nalla G Palaniswami
Managing Director

Dr. Thavamani Devi Palaniswami
Joint Managing Director

Dr. Arun N Palaniswami
Executive Director

Dr. Mohan S Gounder
Non-Independent Director

Mr. Kasi K Goundan
Independent Director

Dr. M. Manickam
Independent Director

CA A.M. Palanisamy
Independent Director

Dr. M.C. Thirumoorthi
Non-Independent Director

Mr. A.K. Venkatasamy
Independent Director

Mr. K. Saminathan
Independent Director

Dr. M.A. Muthusethupathi
Independent Director

Dr. Purani P Palaniswami
(Alternate - Dr. S. Krishnasamy)
Non-Independent Director

CA. M.K. Ravindra Kumar
Chief Financial Officer

CS. S.P. Chittibabu
Company Secretary

REGISTERED OFFICE & HOSPITAL COMPLEX

99, Avanashi Road, Coimbatore - 641 014

CIN : L85110TZ1985PLC001659
Tel : +91 - 422 - 4323800, 3083800
Fax : +91 - 422 - 2627782
E-mail : secretarialdept@kmchhospitals.com
accounts@kmchhospitals.com
Website : www.kmchhospitals.com

AUDITORS

M/s VKS Aiyer & Co
Chartered Accountants, Coimbatore - 641 011

SECRETARIAL AUDITORS

M/s KSR & Co. Company Secretaries LLP
Coimbatore - 641 018

REGISTRAR & SHARE TRANSFER AGENT

M/s GNSA Infotech Private Limited
STA Department, Nelson Chambers, F-Block,
4th Floor, No.115, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.
Phone : + 91-44-42962025
Email : sta@gnsaindia.com

BANKERS

Indian Bank
Indian Overseas Bank



KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

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KMCH – A Trendsetter in Healthcare



As we complete another year, Kovai Medical Center and Hospital (KMCH) continues to be the leader in medical care in this region and received several awards including Patient-friendly Hospital (2018) by the Association of Healthcare Providers of India, Quality Brands (2018-20) by Quality Brand Times, Mumbai, Best Hospital Pharmacy Citations 2018 by the Glenmark Group, Company of the Year 2018 - Healthcare by the Indian Chamber of Commerce and No.1 Best Multi Speciality Hospital in Coimbatore by The Week Magazine. Our Doctors continue to excel in their respective disciplines and some of the Doctors have been recognised by Indian Medical Association recently. Some Doctors received Lifetime Achievement Award, while others received Vocational Excellence Award. All this proves that our commitment to excellence and leadership has become a persistent goal and today can be defined as the character of KMCH.

Excellence does not remain the only commitment of KMCH, as we are also committed to the service for humanity and the hospital played an active role in both the floods that played havoc in the neighbouring state of Kerala and the cyclone Gaja, which caused wide spread damage in Tamil Nadu. We immediately responded by sending a medical team with supplies to bring relief to these areas. Continuing with our service, we also have been conducting several camps where treatment has been given at concessional rates to ensure that people who cannot normally afford state-of-the-art treatment are given an opportunity to do the same.



A few months ago, KMCH did a cardiac transplant for a patient enabling this poor labour to get another chance to live. Transplant was performed under Tamil Nadu Chief Minister's Comprehensive Health Insurance Scheme, thus helping the extremely poor family to renew the life of its sole bread earner. The Department of Cardiac Surgery and Cardiology continued to do their excellent work in the form of implantation of valves percutaneously along with advanced cardiac surgeries.

Recently KMCH has introduced Emergency Medical Services (EMS) with Telemedicine to take care of transportation and critical care patients. With the help of Mobile Stroke Unit, we are able to cater to any kind of trauma, cardiac care and medical emergencies.

Continuing with our quest for providing innovative care, KMCH now introduces for the first time 'Hyperarc', the innovative technology for radiation oncology. With this new technology, KMCH Comprehensive Cancer Center introduces high precision, high speed radiotherapy. Advantages of such a treatment is that the therapy targets cancer cells with utmost precision and reduces overall treatment time. This equipment also simplifies complex treatments such as non-coplanar Stereotactic Radio Surgery (SRS) and also significantly reduces collateral side effects.



In the area of education, the hospital conducted several programs to enable general practitioners and specialists to enrich their knowledge. A Cardiac Imaging Course was conducted in association with the Massachusetts General Hospitals in the United States of America. The KMCH Breast Update was conducted in association with Breast Imaging Society of India. Basic bronchoscopy workshop was undertaken to train pulmonologist and anaesthetist to perform safe bronchoscopy. Department of Paediatrics conducted a National Conference for Paediatric Care. Further, the Department of Anaesthesia conducted the seminar on Anaesthesia and ICU updates. Recently, a Conference on Robotic Surgery was conducted to give people a clear understanding on the possibilities of this advanced treatment option available at KMCH.

All of this goes to say that KMCH is not just focussed in running just a hospital, but is committed to ensuring quality care with limitless contribution and improvement in the knowledge of medical care in the region. KMCH extended its wings further by setting up a Center at Kovilpalayam, which further ensures the people in that region need not travel all the way to the Main Center for basic medical problems and surgeries.

KMCH also continues to be a leader in transplant surgeries and has been continuously doing kidney, liver and cardiac transplants and have done extraordinarily well in transplant programs.

The future is exciting as the hospital embarks on its latest project, KMCH Medical College. We all hope and believe that the Medical College should be up and running in the next few months and we are confident that in couple of years will see the fruits of this labour.

**NOTICE**

NOTICE is hereby given that the **Thirty Third Annual General Meeting** of the Members of Kovai Medical Center and Hospital Limited will be held on Friday, the 16th August 2019 at 11.00 a.m. at "A.P.Kalyana Mandapam", 738/2, Avanashi Road, Goldwins, Coimbatore - 641014 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the financial year ended 31st March, 2019 and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2019.
3. Dr. Arun N Palaniswami (DIN: 02706099), Director, retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT Pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Act and Regulation 16(1)(b) read with Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kasi K Goundan (DIN: 01145935), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 3rd September 2019 and whose office shall not be liable to retire by rotation".

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 Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Act and Regulation 16(1)(b) read with Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr. M.Manickam (DIN: 00102233) Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 3rd September 2019 and whose office shall not be liable to retire by rotation".

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution** :

"RESOLVED THAT Pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Act and Regulation 16(1)(b) read with 17(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CA.A.M.Palanisamy (DIN: 00112303) Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as

amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 3rd September 2019 and whose office shall not be liable to retire by rotation".

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a

Special Resolution :

"RESOLVED THAT Pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Act and Regulation 16(1)(b) read with Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. A.K.Venkatasamy (DIN: 00036191) Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 3rd September 2019 and whose office shall not be liable to retire by rotation".

8. To consider and if thought fit to pass with or without modification(s) the following resolution as a

Special Resolution :

"RESOLVED THAT Pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Act and Regulation 16(1)(b) read with Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr.K.Saminathan (DIN: 01104196), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for a second term of five consecutive years with effect from 3rd September 2019 to and whose office shall not be liable to retire by rotation".

9. To consider and if though fit to pass with or without modification(s) the following resolution as an

Ordinary Resolution:

"RESOLVED THAT Pursuant to Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) read with Regulation 17(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs R.Bhuvaneshwari (DIN:01628512) who qualifies for being appointed as an Independent Non-Executive Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years, from 3rd September 2019 upto 2nd September 2024".

10. To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

Re-appointment of Managing Director

"RESOLVED THAT pursuant to provisions of Section 196, 197, 198, 203 read with other applicable provisions of the Companies Act, 2013 (including any statutory modifications and re-enactments thereof, for the time being in force) read with Schedule V of the said Act, the consent of the Company be and is hereby accorded to the appointment of Dr.Nalla G Palaniswami (DIN:00013536) as Managing Director of the Company for a period of five years with effect from 01.10.2019 on the terms and conditions including remuneration, allowances, perquisites and other benefits etc. as specified under with the authority to the Board to alter or vary the same from time to time with effect from such date or dates as may be decided by it and agreed to by Dr.Nalla G Palaniswami".

"RESOLVED FURTHER THAT in the absence of inadequacy of the profits in any year, Dr.Nalla G Palaniswami shall be entitled to receive and be paid as minimum remuneration in that year by way of salary, allowances, perquisites and other benefits as stated under subject however, to the necessary approvals and ceiling specified under Schedule V of the Companies Act, 2013 "

I. Salary

₹ 9,00,000/- (Rupees Nine Lakhs only) per month.

[Annual increase in the salary as the Board may decide from time to time, however subject to a ceiling of ₹50,000/- (Rupees Fifty Thousand only) per month. First increase to be effective from 1st October 2020 subject to the confirmation of the Board of Directors based on the recommendation of the Nomination and Remuneration Committee of Directors].

II. Commission

2% (two percent) commission on the net profits of the Company subject to a maximum ceiling specified in Section I of Part II of Schedule V of the Companies Act, 2013.

III. Perquisites

Perquisites as follows will be paid and / or provided in addition to salary. Perquisites shall be valued in terms of actual expenditure incurred by the Company as per Income Tax Rules. However in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy the perquisites shall be valued as per Income Tax Rules.

- a. Medical Expenses
Coverage of medical expenses / personal accident insurance for self and family.
- b. Leave Travel Concession / Allowance
For self and family, once in a year in accordance with the rules of the Company.
- c. Club Fees
Fees of Club payable as per the rules of the Company.
- d. Car
Use of Company's car with driver.
- e. Telephone
Communication facilities at residence.
- f. Any other perquisites as may be allowed by the Board subject to the provisions of the Companies Act, 2013.

IV. Other benefits

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

The above benefits under (a) to (c) shall not be included in the computation of ceiling on remuneration or perquisites.

**V. Overall Remuneration**

That the total remuneration (i.e. salary, perquisites, commission and allowances) in any one financial year shall not exceed the limits prescribed from time to time under Section 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may for the time being, be in force and any amendments thereto. In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee of Directors. Further, within the overall remuneration, the individual components may be changed as desired by Dr.Nalla G Palaniswami and accepted by the Nomination and Remuneration Committee.

11. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and Companies (Audit and Audits) Rules 2014 (including any statutory modifications) or re-enactment thereof, for the time being in force, Mr.V.Sakthivel (Membership No.23292) Partner, M/s RKMS & Associates, Cost Accountants, Coimbatore appointed by the Board of Directors of the Company on recommendation of the Audit Committee to conduct the audit of cost records of the company for the financial year 2019-20 on a remuneration of ₹ 3,50,000/- (Rupees Three Lakhs and Fifty Thousand only) plus GST and out-of-pocket expenses if any for the purpose of audit be and is hereby ratified and confirmed".

**By order of the Board
For Kovai Medical Center and Hospital Limited**

Place : Coimbatore
Date : 25.05.2019

**Sd/-
CS S.P. CHITTIBABU
COMPANY SECRETARY**