

34th ANNUAL REPORT 2019-20



HEALTHCARE EXCELLENCE
SINCE 1990



Kovai Medical Center and Hospital Limited

Excellence in Healthcare

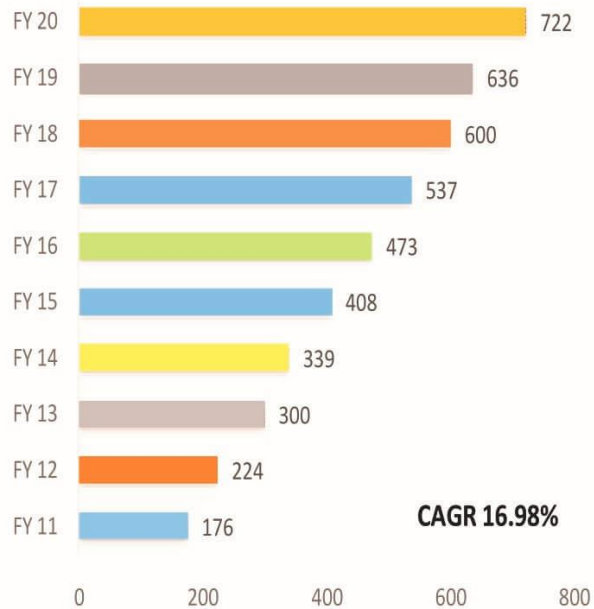


MAKING THE IMPOSSIBLE, POSSIBLE

10 YEARS AT A GLANCE

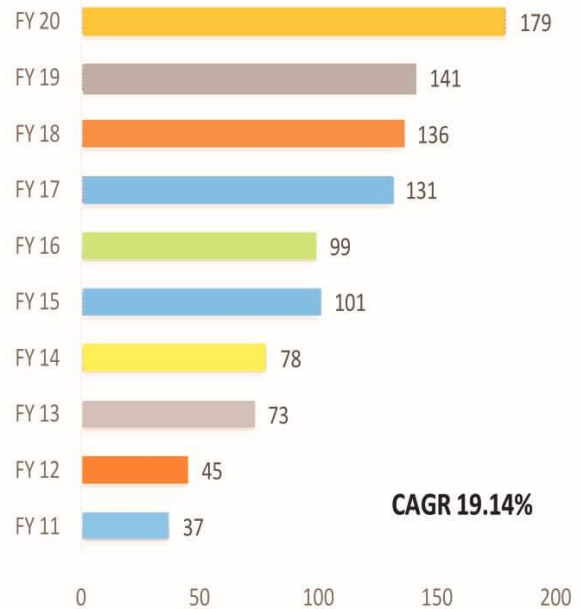
Revenue

₹ crore



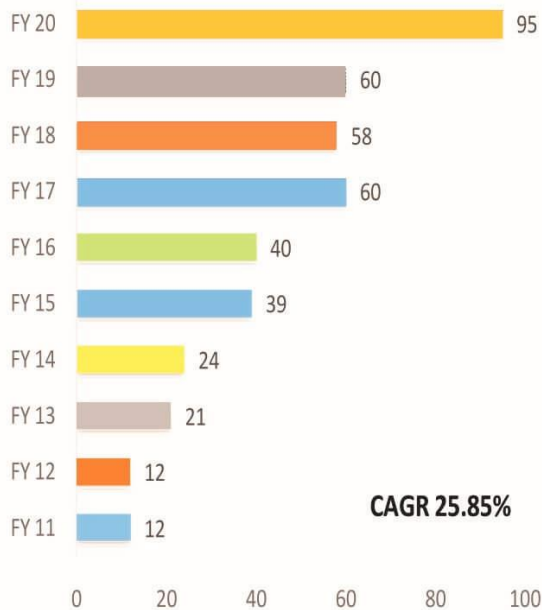
EBITDA

₹ crore



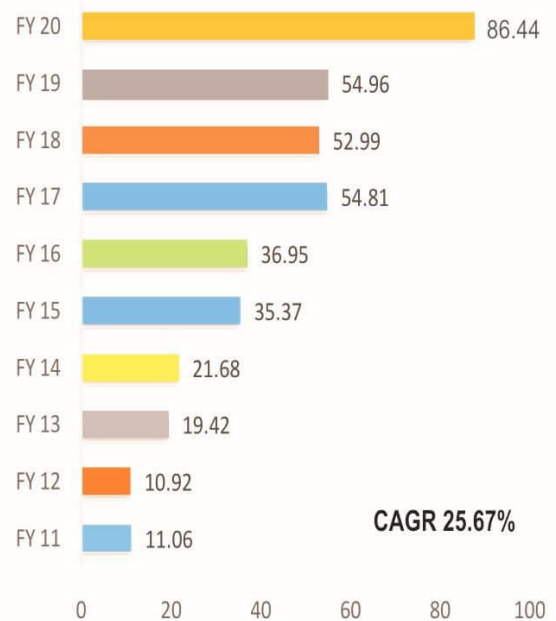
Profit After Tax (PAT)

₹ crore



Earning Per Share (EPS)

in ₹





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

Dr.M.C.Thirumoorthi

Non-Independent Director

Dr.Purani P Palaniswami

(Alternate – Dr.S.Krishnasamy)

Non-Independent Director

Mr.Kasi K Goundan

Independent Director

Dr.M.Manickam

Independent Director

CA.A.M.Palanisamy

Independent Director

Mr. A.K. Venkatasamy

Independent Director

Mr. K. Saminathan

Independent Director

Mrs.R.Bhuvaneshwari

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

Email : 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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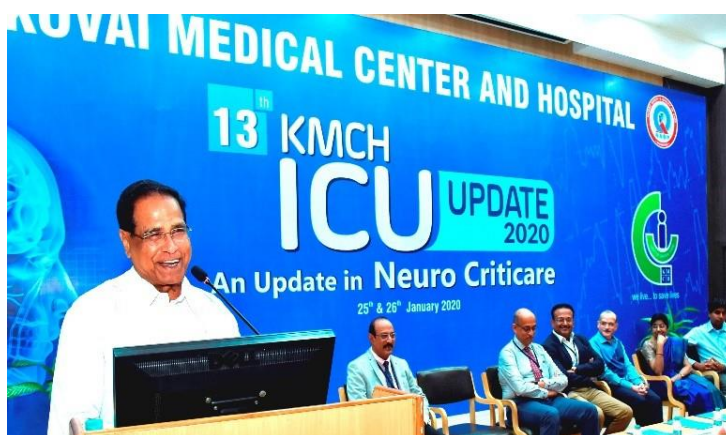
Dear Shareholders,

The greatest event that has taken place in the history of Kovai Medical Center and Hospital since its inception is the inauguration of the new Medical College in Coimbatore. KMCH Institute of Health Sciences and Research is the fifth Medical College in this region. The college started with an intake of 150 MBBS students with affiliation to The Tamilnadu Dr.MGR Medical University. The Medical College was inaugurated by Dr.R.V.Ramani, Member and Board of Governors, Medical Council of India. This has been my dream to set up a world class educational and research institution in Coimbatore to ensure the quality of medical education which would match with the best centers across the globe.



The Department of Radiotherapy have added the state-of-the-art variant True-beam Linear Accelerator with Asia's first hyper arc system thus allowing them to treat double the number of patients and further enabling them to perform extremely complex stereotactic radio surgeries and body treatments for the first time in this region. The equipment was inaugurated by Dr.Shantha, Past Director of Adyar Cancer Institute, Chennai. The Comprehensive Cancer Center has been a pioneer in providing quality cancer care in this region.

KMCH Intensive Care Unit conducted the ICU update 2020 proving once again its leadership in Intensive Care. It is also the only Intensive Care Unit in South India, which has been recognized for the Fellowship Program. Dr. Mathew Cherian was selected for the prestigious oration of the Critical Care Society, which was held recently in the city of Hyderabad all of which goes on to confirm the recognition of this department at the national level. The Department of Radiology added another feather in its cap, when they were selected by the National Board, New Delhi to start the country's first Post-doctoral Program in Interventional Radiology.



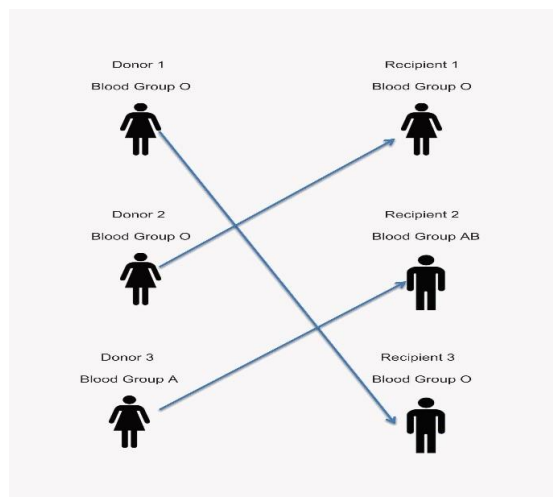
The Department of Cardiology continues to be a regional leader and Dr. Lawrence Jesuraj conducted the Fourth Edition of the Kovai Heart Rhythm Summit purely to focus on managing patients with advanced heart failure and its management by implanting CRT (Cardiac Resynchronization Device). Dr. Lizio Geller, Professor of Cardiology at Semmelweis University, Budapest, Hungary was part of this meeting and workshop and gave his valuable insight into management of heart failure.



a project named Project Kathir, a Ray of Hope. Several children have benefited from this project, which will support lifesaving insulin treatment, consumables and insulin pumps.

Further to the several successes in renal transplant this year, two success stories – one was the story of the first successful transplant in the world in a patient with deadly bleeding disorder (Haemophilia). The team consisting of Dr. Mangal Kumar, Nephrologist, Dr. Rama Prabhahari, Haematologist and the surgical team ensured that this patient would safely undergo the surgery without significant blood loss.





Secondly, by a technique called kidney sharing, three donors simultaneously donated to three recipients, kidneys were shared not to their own relatives, but to another patient whose immune factors matched. Thus, three related donors and three recipients were simultaneously operated where the three donors' kidneys were shared among the three relatives in a way that the best match was given to each patient. This is again one of the first feat to be performed in the country considering the complexity of simultaneously operating on six patients, all the patients are doing well. This goes to say without doubt that not only is KMCH, the leader in steroid-free transplant, but also has leadership, talent and infrastructure to handle extreme complex surgical situations successfully.

Department of Radiation Oncology organised a National Young Radiation Oncology Conference, YROC 2020. With radiotherapy treatment becoming an indispensable tool in our fight against cancer, the theme for this national meeting was to prepare the next generation of budding radiation oncologists for the inevitable technological advancements for the decade ahead. The Conference saw active and enthusiastic participation from leading medical professionals and delegates from all over India with over 150 attendees. Many international and national faculties contributed to knowledge sharing in this conference.



The Hospital continues to receive several awards, all of which goes on to say KMCH not only takes care of patients to be best of its abilities, but also is a role model in the industry. Notable among the many awards won by KMCH is the "Best Multi Specialty Hospital in South India – 2020 from "The Economic Times".

Success at KMCH has always been about teamwork. I wish to place my gratitude and appreciation for all the hard work my team members have put in to achieve this level of service to all. I seek their continued support and together we can deliver value to all the stakeholders – patients, shareholders and the community we serve.

2020-21 will be a tough year due to COVID-19 Pandemic. We hope that we will make it as we participate jointly in the fight against Coronavirus along with others in this difficult situation.

Stay Safe and Healthy.

With Warm Regards

DR. NALLA G PALANISWAMI
MANAGING DIRECTOR

NOTICE

NOTICE is hereby given that the **Thirty Fourth Annual General Meeting** of the Members of Kovai Medical Center and Hospital Limited will be held on Saturday, the 19th September 2020 at 4.00 p.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OVAM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements for the financial year ended 31st March, 2020 and the Reports of the Directors and the Auditors thereon.
2. Dr.Mohan S Gounder (DIN: 02479218), Director, retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

Re-appointment of Joint Managing Director

“RESOLVED THAT pursuant to the provisions of Sections 196,197,198, 203, Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded to the re-appointment of Dr.Thavamani Devi Palaniswami (DIN:00012135) as Joint Managing Director of the Company for a period of five years with effect from 29th July 2020 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors at their respective meeting held on 20th June 2020”.

Terms of Appointment

I. Salary

₹ 8,00,000/- (Rupees Eight 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 29.07.2021 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) Other Perquisites: Gas, Electricity, Water, Telephone at residence, Club Fees at Actuals
- d) Car : Use of Company's car with driver.

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

“RESOLVED FURTHER 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 and 197 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.”

“RESOLVED FURTHER THAT in the absence of inadequacy of the profits in any year, Dr.Thavamani Devi 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 above subject to the same not exceeding the limits as specified under section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force).”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary and / or give directions as may be necessary, proper or expedient to give effect to the above resolution without being required to seek any further consent or approval of the members and the members shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

4. 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 2020-21 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**

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

Place : Coimbatore
Date : 20.06.2020

NOTES

1. Considering the present COVID-19 situation, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company being conducted through VC / OAVM.
2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company, RTA or CDSL / NSDL (“Depositories”). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website www.kmchhospitals.com and BSE Limited website at www.bseindia.com.
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
5. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The statement of material facts pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Item No.3 and 4 of special business is annexed hereto.
7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL.
8. The Members can join the AGM in the VC / OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on a first come first served basis as per the MCA Circular. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The Members will be able to view the proceedings on National Securities Depository Limited (NSDL) e-voting website at www.evoting.nsdl.com.
9. Pursuant to the provisions of Section 91 of the Companies Act 2013, the Register of members and Share Transfer Books of the Company will remain closed from Saturday, 5th day of September 2020 to Saturday, 19th day of September 2020 (both days inclusive) in connection with the 34th Annual General Meeting.