

35th Annual Report

2020-21



HEALTHCARE EXCELLENCE
SINCE 1990



Kovai Medical Center and Hospital Limited

Accredited by NABH

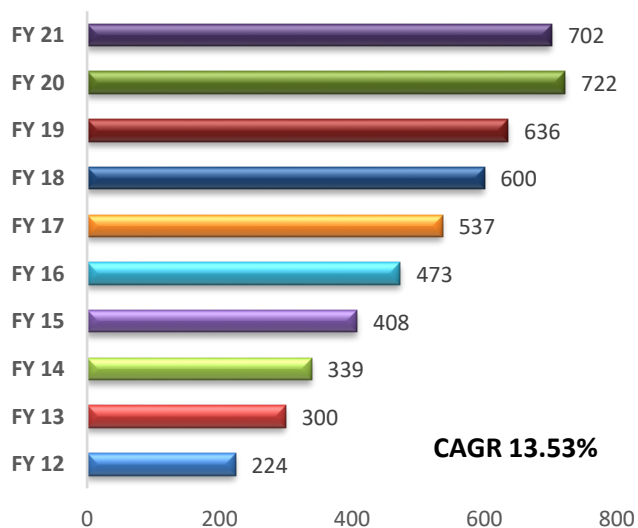
99, Avanashi Road, Coimbatore - 641 014 | Ph: 0422 - 4323800 - 4000 / 6803000 | www.kmchhospitals.com

MAKING THE IMPOSSIBLE, POSSIBLE

10 YEARS AT A GLANCE

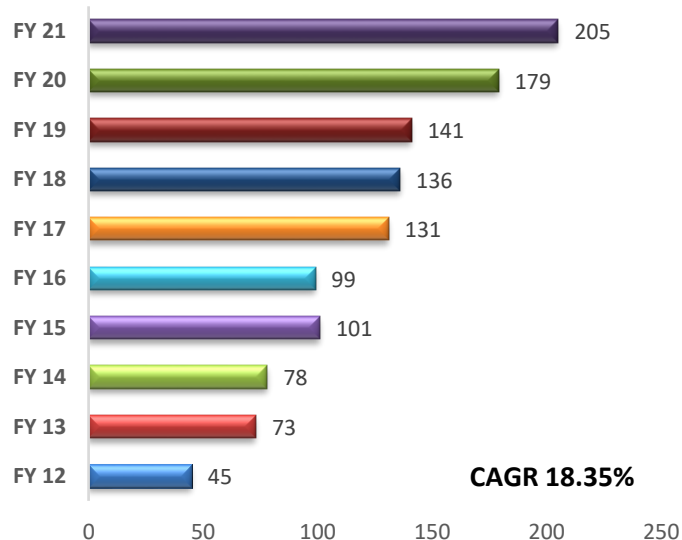
Total Income

₹ crore



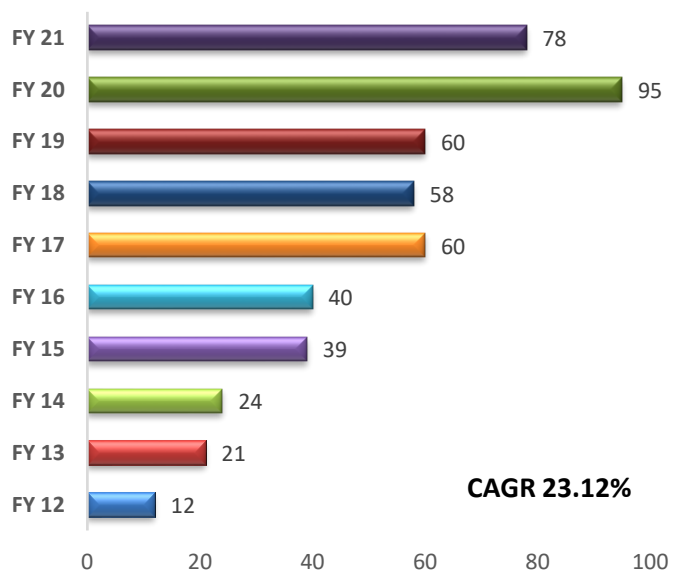
EBITDA

₹ crore



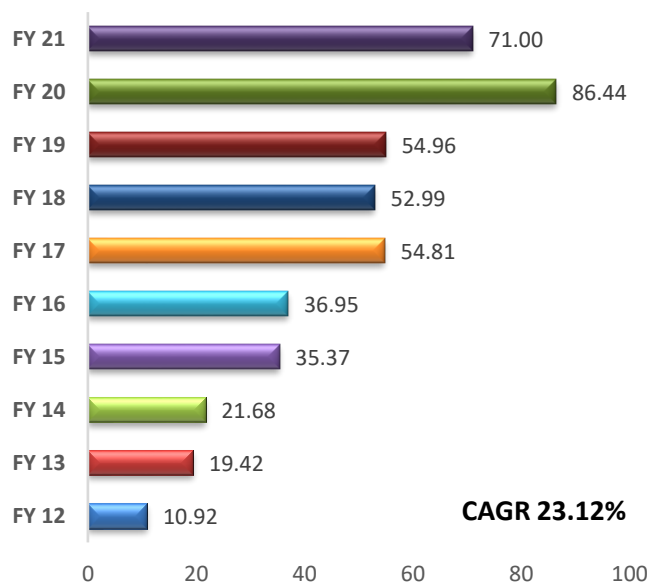
Profit After Tax (PAT)

₹ 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 (Upto 11.05.2021)

Mr.K.Saminathan

Independent Director

Mrs.R.Bhuvaneshwari

Independent Director

Mr.A.P.Ammasaiyuthi alias Mr.A.P.Appukutti

Independent Director (From 03.06.2021)

Dr.K.Kolandaswamy

Independent Director (From 01.08.2021)

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

STATUTORY AUDITOR

M/s VKS Aiyer & Co

Chartered Accountants, Coimbatore - 641 011

SECRETARIAL AUDITOR

M/s KSR & Co. Company Secretaries LLP

Coimbatore - 641 018

COST AUDITOR

M/s RKMS & Associates

Coimbatore - 641 004

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,

At the outset, I would like to express my deepest gratitude to all our Doctors, Nurses and Paramedics of KMCH fraternity for their tireless efforts and unceasing commitment in treating patients infected by COVID-19. Financial Year 2020-21 took the hospital through one of the most difficult and testing times since its inception. Working collaboratively with the Government of Tamil Nadu, KMCH ensured full compliance with all institutional guidelines, prioritizing and maintaining patient safety as protocols for management of patient care and hospital operations evolved continuously throughout last year.

Kovai Medical Center and Hospitals did its utmost to ensure that these patients were treated to the best of the facilities available. Initially, it started by opening a block in the Medical College Hospital exclusively for COVID-19 patients and as the numbers increased, we dedicated KMCH Kovilpalayam Hospital (100 bedded facility) and this was converted completely for COVID-19 care. Further, a designated area within the Main Center was allocated for the treatment especially for the Doctors of KMCH who got infected as they selflessly worked to ensure patient care, especially emergencies were not hampered during this time period.



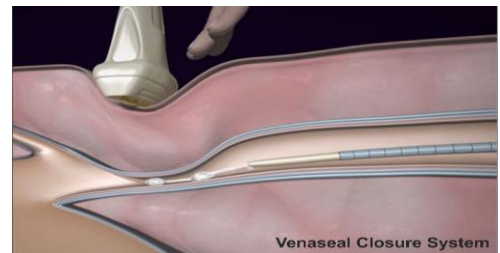
KMCH once again demonstrated our capability of the hospital to handle extremely sick and difficult patients especially those requiring Extracorporeal Membrane Oxygenation Equipment (ECMO) and other multiple complications. We are proud to inform that your Hospital is one of the few in the country which had several patients who survived even after weeks on ECMO, which is an extremely difficult and arduous task considering the fact that several complications can take place as the function of the lung is completely taken over by a machine.

The country witnessed a severe second wave in early FY 2021-22, the higher number of COVID-19 cases has led the Company to allocate almost 50% of its operational bed capacity for COVID-19 treatment at the peak of the second wave in mid-April to June. The challenges and learnings of the past year during the first wave helped KMCH manage the second wave more effectively. Now with the second wave coming strong, KMCH further enhanced the medical infrastructure by commissioning 300 beds Hospital in Medical College Hospital thus readying itself for another difficult period to take care of numerous patients in and around Western Tamil Nadu. With standardization in treatments, tests and improvements in clinical care along with much higher bed occupancy, the second wave has had a relatively less impact on the performance of the Company.



The year under review saw the starting of a one of its kind “Project Heal – Mammography on Wheels Program” in a joint collaboration with the Rotary Club of Mettupalayam. This one of its kind vehicle hosts a state-of-the-art digital mammography unit used to screen women for breast cancer. This machine has gone to several centers screening patients for both breast cancer and cancer of the uterus.

The Vein Center which is dedicated towards the treatment of varicose veins introduced a minimally invasive procedure called the VenaSeal, where a medical grade glue is injected into the abnormally dilated veins of the leg. This procedure has several advantages when compared to conventional surgery and the patient can get back to normal activity the very next day.



KMCH Medical College admitted the second batch of students amidst the pandemic. As in the last year, all the seats were quickly mopped up without a single vacancy emphasizing the trust on KMCH. Infrastructure is complete and the offerings are truly of international standards. The Library, Lecture Halls and Wards are way beyond the standards expected by the regulators. We are convinced that within the next decade, KMCH Medical College will become one of the best centers for education in the country.

Our focus on improving efficiency and patient satisfaction has won us number of prestigious awards and recognitions.

In conclusion, we would like to reiterate our focus on quality patient care and continued pursuit of medical excellence. We will continue to build our team of clinicians, medical educationists, nurses and paramedical staff to deliver high quality patient care services. We shall continue to provide a safe environment for patients and employees alike.

Thank you for the trust and confidence in us – we hope to remain worthy of it.

Stay Safe and Healthy

With Warm Regards

Dr. NALLA G PALANISWAMI
MANAGING DIRECTOR

NOTICE

NOTICE is hereby given that the **Thirty Fifth Annual General Meeting** of the Members of Kovai Medical Center and Hospital Limited will be held on Thursday, the 16th September 2021 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, 2021 and the Reports of the Directors and the Auditor thereon.
2. To declare dividend on equity shares for the financial year ended 31st March 2021.
3. Dr.Purani P Palaniswami (DIN: 02707233), Director, retires by rotation and being eligible, offers herself 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**:

Revision in terms of remuneration of Dr.Arun N Palaniswami (DIN: 02706099), Executive Director of the Company

“RESOLVED THAT in pursuance of Sections 196, 197, 198, 203 and the Rules made thereunder, read with Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, rules if any, of the Companies Act, 2013, and any other laws, regulations prevailing for the time being in force, the approval of the shareholders be and is hereby accorded for revision in terms of remuneration to Dr.Arun N Palaniswami (DIN: 02706099) Executive Director of the Company with the inclusion of Commission up to 1% on Net Profits of the Company as recommended and approved by the Nomination and Remuneration Committee, Audit Committee and the Board of Directors and that the said revision shall take effect from 1st April, 2021.”

“RESOLVED FURTHER THAT other terms and conditions of the appointment and remuneration to Dr.Arun N Palaniswami (DIN: 02706099) as approved in the 32nd Annual General Meeting of the Members held on 6th August 2018 shall remain unchanged.”

5. 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 2021-22 on a remuneration of ₹ 3,85,000/- (Rupees Three Lakhs and eighty five 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 : 03.06.2021

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 & 13, 2020 and January 13, 2021 (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, Attendance Slip and Route Map are not annexed to this Notice.
3. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020 and January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company’s website www.kmchhospitals.com and BSE Limited website at www.bseindia.com.
4. 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.
5. The statement of material facts pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Item No.4 and 5 of special business is annexed hereto.
6. 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, 5th May, 2020 and 13th January 2021, 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.
7. 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.
8. 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, 4th day of September 2021 to Thursday, 16th day of September 2021 (both days inclusive) in connection with the 35th Annual General Meeting.

9. Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a Company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already transferred shares in respect of which dividend declared for the financial year 2012-13 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more.
10. The Company has transferred the unpaid or unclaimed dividends declared up to the Financial Year 2012-13, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The details of the same are available on the website of the Company and the same can be accessed through the link: https://www.kmchhospitals.com/2021/UD_IEPF_2020.pdf. The said uploaded details on the website of the Ministry of Corporate Affairs can be accessed through the link: <http://www.mca.gov.in>.
11. Those Shareholders who have so far not claimed or collected their dividend upto the financial year 2012-13 may claim their dividend as per Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
12. Pursuant to the amendments in the Income Tax Act, dividend income is taxable in the hands of the members effective from April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961.
13. Members holding shares in physical form are requested to intimate the following directly to the company's Registrar and 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.
 - a) Bank mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
 - b) Changes, if any, in their address at an early date along with proof for address change.
 - c) Application for consolidation of folios, if shareholdings are under multiple folios.
 - d) Despatch of share certificates for consolidation.
 - e) Request for nomination forms for making nominations as per amended provisions of the Companies Act, 2013.
 - f) Members are requested to quote ledger folio numbers in all their correspondences.
 - g) Residential status, PAN and Category as per Income Tax Act.
14. Members holding shares in dematerialised form (electronic form) are requested to intimate any change in their address, bank mandate, Residential Status, PAN, category as per Income Tax Act etc. directly to their respective Depository Participants.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent M/s GNSA Infotech Limited, Chennai.
16. Soft copies of the Register of Directors and Key Managerial Personal and their shareholding maintained under Section 170 of the Act and the Register of contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act will be available for inspection electronically by the members during the AGM.

17. Members are requested to note that the Company's shares are under compulsory demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid any inconvenience.
18. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
19. Pursuant to the requirements of Corporate Governance under SEBI (LODR) Regulations, 2015, the brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they holds directorship and membership/chairmanship of Board/Committees, shareholding and relationships between Directors inter-se, are provided in the Notice forming part of the Annual Report.
20. The Results shall be declared within 48 hours after the close of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be displayed on the Company's website www.kmchhospitals.com and on the website of NSDL within the aforesaid period and communicated to BSE Limited where the shares of the Company are listed.

21. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

- a) The remote e-voting period commences on 13th September 2021 (9:00 am) and ends on 15th September 2021 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3rd September 2021 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b) Dr.C.V.Madhusudhanan, Practising Company Secretary (Membership No. FCS 5367; CP 4408) or failing him Dr.K.S.Ravichandran, Practising Company Secretary (Membership No. FCS 3675; CP 2160) Partners of M/s KSR & Co Company Secretaries LLP, Coimbatore have been appointed as the Scrutinizer to scrutinize the e-voting process (including remote e-voting of members at the AGM) in a fair and transparent manner.
- c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- d) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 3rd September 2021.

Instructions for members for Remote e-voting and Joining General Meeting are as under:

The remote e-voting period begins on Monday, 13th September 2021 (9.00 am) and ends on 15th September 2021 (5.00 pm). The remote e-voting module shall be disabled by NSDL for voting thereafter.