

37th Annual REPORT

2022-2023



HEALTHCARE EXCELLENCE
SINCE 1990

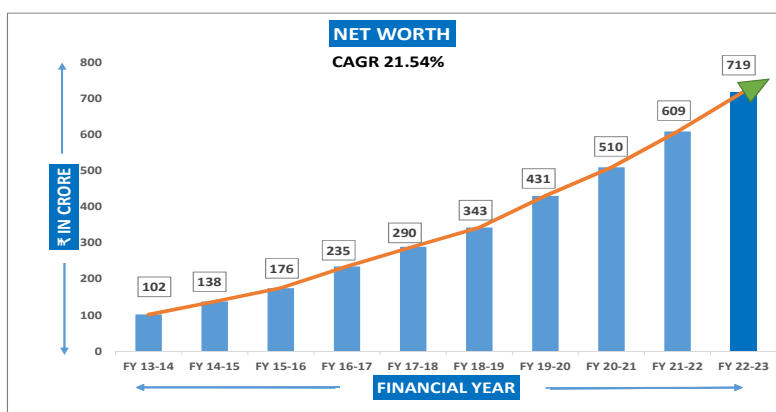
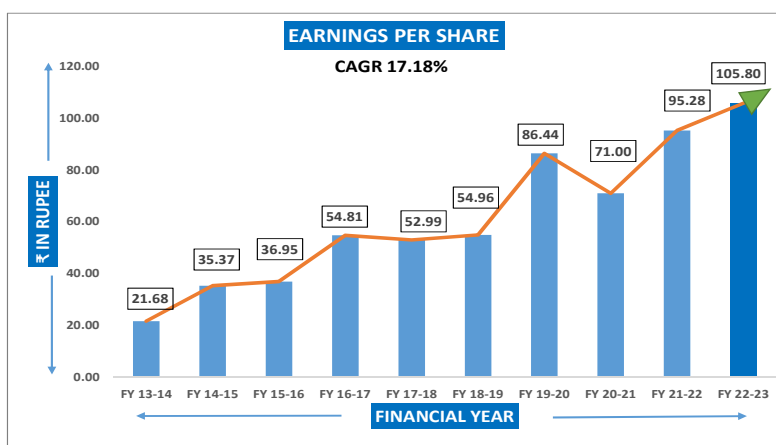
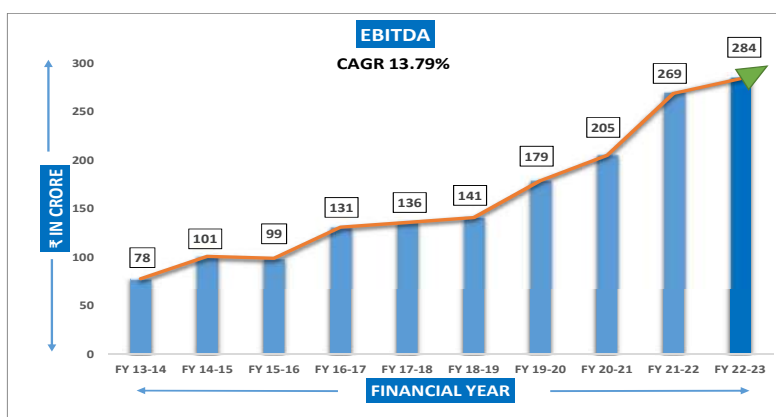
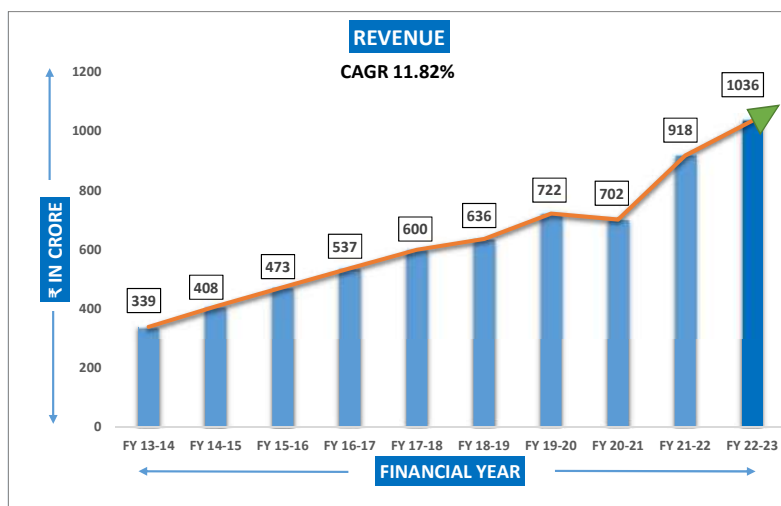


Kovai Medical Center and Hospital Limited

99, Avanashi Road, Coimbatore - 641 014.
Ph: +91 422 4323 800 - 802, 3083 800.

Accredited by NABH

MAKING THE IMPOSSIBLE, POSSIBLE





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
Non-Independent Director



Mr.Kasi K Goundan
Independent Director



Dr.M.Manickam
Independent Director



CA. A.M.Palanisamy
Independent Director



Mr.K.Saminathan
Independent Director



Mrs.R.Bhuvaneshwari
Independent Director



Mr.A.P.Ammasaikutti
Independent Director



Dr.K.Kolandaswamy
Independent Director

CA. P.K.Gopikrishnan

Chief Financial Officer

CS. R.Ponmanikandan

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

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Dear Shareholders,

Our hospital journey is a powerful reminder of what can be achieved, when passion, vision and heart come together.

With its historic reputation and clinical excellence coupled with multiple speciality services, our hospital offers high quality treatment with personalised care and good health to the community.

We continue to invest strongly in the latest technologies, so that our patients can benefit from global standard of medical care. To accomplish the above goal, last year, the hospital has upgraded the pulmonary medicine department with several Top-end diagnostic equipment. Now we have an outstanding stand-alone center comparable to the best in the world.

The Department of Transplant Surgeries and Medicine is very active. The Department of Radiology conducted the first-ever conference in transplant imaging globally. The aim was to make a society where various radiologists involved in transplant could network together, helping and supporting each other. The Department of renal transplant has continued its leadership and is still one of the most famous centers in the country.

With the acquisition of the cryoablation system for cardiac arrhythmia, the cardiology department has again maintained its leadership in electrophysiology. Also, it has become a leader in the percutaneous repair of valves in this region. The department has been doing outstanding work along with Cardiothoracic Surgical team. Our Cardiothoracic team is one of the best in our area. The hospital has performed several rare surgeries during the past year. The department accomplished a surgical feat by removing a tumor from the heart.



The division of fetal medicine has been performing variety of fetal surgeries, a first in this region. Genetic Medicine is our new addition in the Kongu region.

The Department of Oncology plays a very important role in KMCH. They conducted several out patient campaigns and screening programs to increase awareness and maintain regional leadership. The hospital has conducted conferences along with the critical care society. The Departments of Oncology, Cardiology, Radiology, Hepato- Biliary Surgery, and Fetal Medicine are doing extremely well in conducting Continuing Medical Education programs.

The Department of interventional radiology is a center of excellence and a center for training doctors nationwide. The Breast Center at Kovai Medical center and Hospital continues to be a leader in breast imaging. Today, it has a global academy for education under Hologic, a medical technology company, a first of its kind in Asia.

Kovai medical center and Hospital also focuses on quality education and training. Almost every postgraduate training program has a pass rate of 100%. Keeping in mind that quality education is necessary for our Country. We set our goal to build an outstanding Medical College which has strengthened the medical education in this region. The Medical College has good equipments like multi-slice CT scanner, MRI scanner, Cath lab equipment and good pathology services. In addition, the operation theatres have got equipment for not just complex surgeries but also for complex minimally invasive surgeries. The Medical College hospital has performed liver and pancreas surgeries and advanced orthopedic surgeries like Arthroscopy and joint replacement.



In our medical college hospital, we provide concessional and free treatment. The treatment given is at par with the best medical standards / practices across India. The spacious infrastructure, latest equipments, highly qualified expert doctors, well trained nurses and paramedical staff add value to the medical college hospital and is strongly patronised by our patients. Increased inflow of patients every year is a testimony to the excellent treatment and care being given by us.

The satellite centers of the hospital are continuously performing well. Erode Center is self-sufficient, and will soon have its own MRI scanner. Also Sullur Center will have a new Cath lab and its own MRI scanner and the one in Kovilpalayam currently has a multi-slice CT. These centers have been instrumental in improving health care of the community and have become extremely popular with the local population.

During the year, our company received various awards and recognitions. Our hospital has been recognised as best one in Kovai by Time Health Survey 2023.

In conclusion, we are continuously enhancing our capabilities and expertise, so that more and more patients can lead healthy and quality lives. Our focus is to train and build quality clinicians, medical educationists, nurses and paramedical staff to deliver high quality patient care services.

We continue to strive hard to provide good working conditions for our employees and our supporters. Service to our shareholders are very important, for us.

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

Stay Safe and Healthy.

Dr.Nalla G Palaniswami
Managing Director

NOTICE

NOTICE is hereby given that the **Thirty Seventh Annual General Meeting** of the Members of Kovai Medical Center and Hospital Limited will be held on Friday, 25th August, 2023 at 4.00 p.m. (IST) through Video Conference (VC)/Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS

Item No. 1 – Adoption of financial statements

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2023 and the Report of the Directors and the Auditors thereon.

Item No. 2 – Declaration of dividend

To declare dividend on equity shares for the financial year ended 31st March, 2023.

Item No. 3 – Appointment of Dr. Arun N Palaniswami as a director, liable to retire by rotation

To appoint a director in place of Dr. Arun N Palaniswami (DIN: 02706099), who retires by rotation and being eligible, seeks reappointment.

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 152 and other applicable provisions if any, of the Companies Act, 2013, approval of members of the Company, be and is hereby accorded to reappoint Dr. Arun N Palaniswami (DIN: 02706099) as a director, who is liable to retire by rotation.”

Item No. 4 – Re-Appointment of M/s. VKS Aiyer & Co, as statutory auditors of the Company

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

“RESOLVED THAT pursuant to Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any amendments and statutory modification(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s VKS Aiyer & Co., Chartered Accountants (FRN: 000066S) be and are hereby reappointed as the Statutory Auditors of the Company for the second term of five consecutive years from Financial year 2023-24 to Financial year 2027-28, who shall hold office from the conclusion of this 37th AGM till the conclusion of the 42nd AGM to be held in the year 2028, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).”

SPECIAL BUSINESS

Item No. 5 – Re-appointment of Executive Director of the Company and approval of Remuneration payable to him

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

“RESOLVED THAT in accordance with the provisions of Section 196,197,198 read with schedule V and all other applicable provisions if any, of the Companies Act, 2013, consent of the company be and is hereby accorded to the appointment of Dr. Arun N Palaniswami as Executive Director of the Company for the period of five years with effect from 25th September, 2023, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors as set out below:

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 ₹ 1,00,000/-(Rupees One Lakh only)per month. First increase to be effective from 25th September, 2024 subject to the confirmation of the board of Directors based on the recommendation of the Nomination and Remuneration Committee].

II. COMMISSION

1% (one 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

The following perquisites 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 wherever incurred including free treatment in the hospital managed by the Company and personal accident insurance for self and Family members.

b. Leave Travel Concession/Allowance

For self and Family, once in a year in accordance with the rules of the Company.

c. Club Fees

Club Fees payable as per the rules of the Company.

d. Car

Use of Company's car with driver.

e. Telephone

Communication facilities at residence.

Any other perquisites as may be allowed by the Board subject to the provisions of the Companies Act, 2013.

III. 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 years 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.

IV. Overall Remuneration

That the total remuneration (i.e., salary, perquisites and allowances) in any one financial year shall not exceed the limits prescribed from time to time under section 196,197,198 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act, relating to total managerial remuneration payable by a Public Company. 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. Arun N Palaniswami and accepted by the Nomination and Remuneration Committee.

Item No. 6 – Approval for increase in Remuneration of Dr. K.S.K Murugaiyan Holding an office or place of profit in the Company

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 188(1)(f) and all other applicable provisions of the Companies Act 2013 read with Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 (including any amendments and Statutory modification(s) thereof, for the time being in force), and as recommended and approved by the Audit Committee and Nomination and Remuneration Committee and the Board of Directors, approval of the shareholders be and is hereby accorded to enhance the maximum limit of Consultancy Charges payable to Dr.K.S.K. Murugaiyan, Medical Consultant, a related party holding office or place of profit in the Company to ₹ 4,00,000/- (Rupees Four Lakhs only) per month.”

Item No. 7 - Reappointment of Cost Auditor for the Company and fixing their Remuneration

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 amendments and statutory modifications 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 Audit Committee to Conduct the Audit of cost records of the Company for the financial year 2023-24 on a remuneration of ₹ 4,75,000/- (Rupees Four Lakhs and Seventy 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 R. PONMANIKANDAN
COMPANY SECRETARY**

Place : Coimbatore

Date : 29.05.2023

NOTES

1. In view of the massive outbreak of the 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, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as “MCA Circulars”) permitted 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 is 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, January 15, 2021, May 13, 2022, December 31, 2022 and January 05, 2023 Notice of the AGM along with the Annual Report 2022-23 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 2022-23 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.4,5,6 & 7 of the Notice 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, 13th January 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022 and 28th December, 2022 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 at the time 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