



Kovai Medical Center and Hospital Limited

Excellence in Healthcare

Post Box No. 3209, Avanashi Road, Coimbatore - 641 014. INDIA

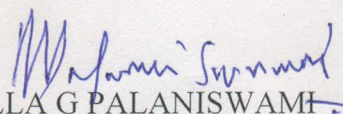
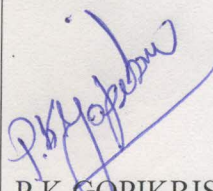
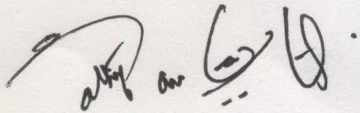

☎ : (0422) 4323800 Fax : (0422) 2627782

CIN No : L85110TZ1985PLC001659



FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	KOVAI MEDICAL CENTER AND HOSPITAL LIMITED
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Nil
5.	Signed by:	
	CEO / Managing Director	 DR.NALLA G PALANISWAMI MANAGING DIRECTOR
	CFO	 P.K.GOPIKRISHNAN CHIEF FINANCIAL OFFICER
	Auditor of the Company	 C.S.SATHYANARAYANAN AUDITOR
	Audit Committee Chairman	 A.M.PALANISAMY AUDIT COMMITTEE CHAIRMAN

29th ANNUAL REPORT 2014-15

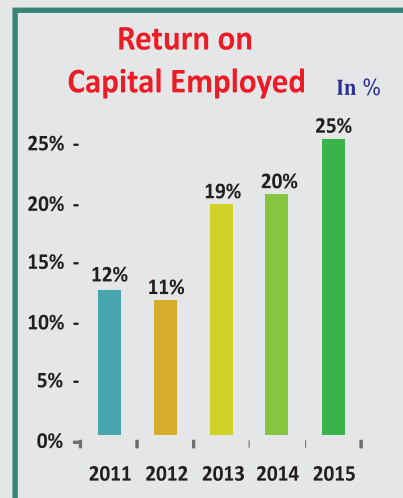
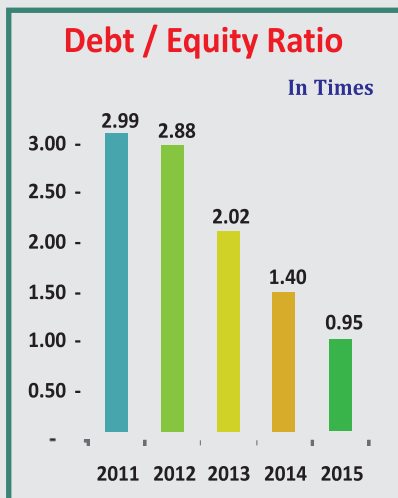
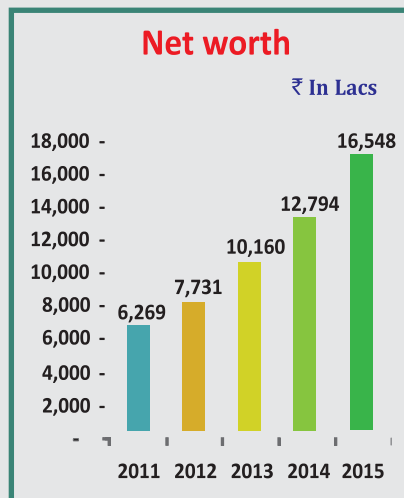
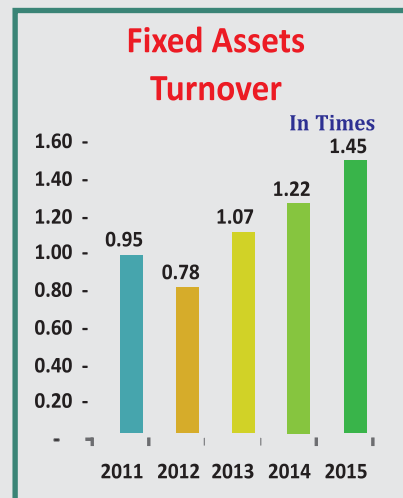
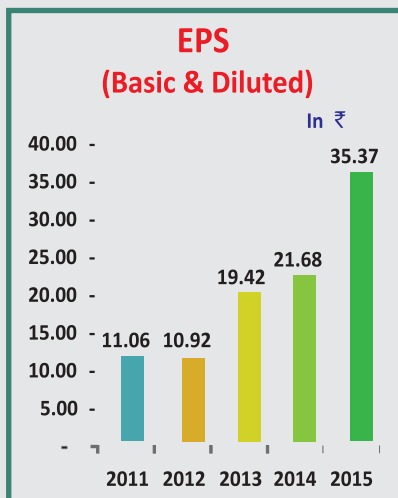
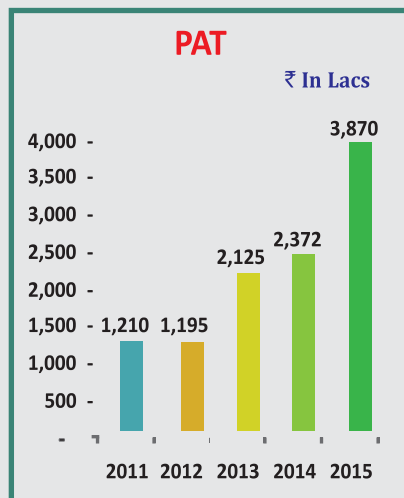
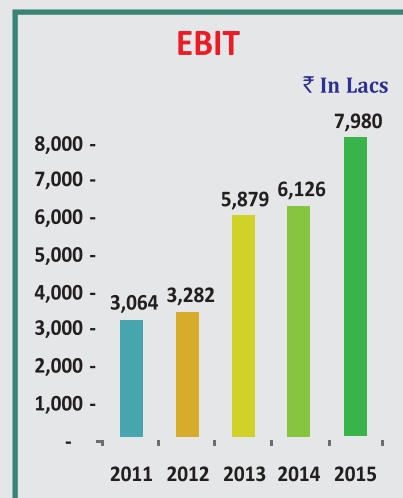
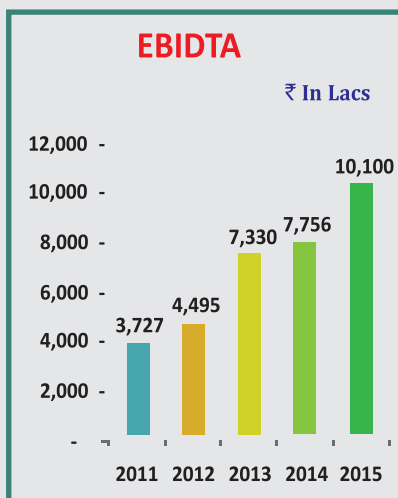
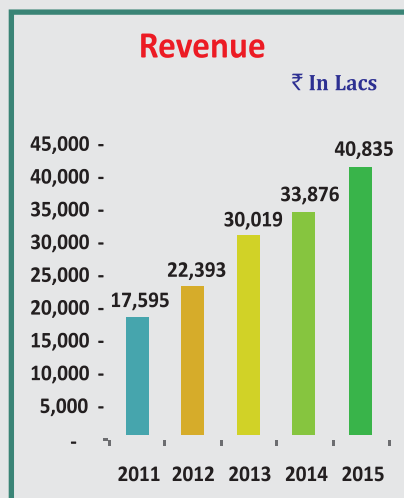


Kovai Medical Center and Hospital Limited

Excellence in Healthcare



5 Years Graphical Representation





BOARD OF DIRECTORS

Dr.Nalla G Palaniswami
Managing Director

Dr.Thavamani Devi Palaniswami
Joint Managing Director

Dr.Mohan S Gounder
Joint Managing Director

Mr.Kasi K Goundan
Director

Dr.M.Manickam
Director

Dr.K.S.K. Murugaiyan
Director (Upto 03.09.2014)

CA.A.M.Palanisamy
Director

Dr.P.R.Perumalswami
Director

Dr.M.C.Thirumoorthi
Director

Mr.A.K.Venkatasamy
Director

Mr.K.Saminathan
Director

Dr.M.A.Muthusethupathi
Director

Dr.Purani P Palaniswami
Director (From 03.09.2014)

Dr.S.Krishnasamy
Director
(Alternate to Dr.P.R.Perumalswami)

CA.P.K.Gopikrishnan
Chief Financial Officer

CS.S.P.Chittibabu
Company Secretary

REGISTERED OFFICE & HOSPITAL COMPLEX

Post Box No. 3209, Avanashi Road
Coimbatore - 641 014

CIN No : L85110TZ1985PLC001659

Tel : +91 - 422 - 4323800, 3083800

Fax : +91 - 422 - 4270639

E-mail : secretarialdept@kmchhospitals.com
accounts@kmchhospitals.com

Website : www.kmchhospitals.com

AUDITORS

M/s Haribhakti & Co. LLP
Chartered Accountants
Coimbatore - 641 012

REGISTRAR & SHARE TRANSFER AGENT

GNSA Infotech 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 - MAKING THE IMPOSSIBLE, POSSIBLE



21st June 2015 was a landmark day in the history of Kovai Medical Center. Dr.Nalla G Palaniswami's dream of bringing back to India a medical facility that would be at par with the Hospitals in the United States, had successfully completed 25 years of service. What started as a 200 bed hospital has today nearly touched 1000 beds. But the story doesn't end with bed strengths alone. It is about progress that has astounded many others who have started at the same time. Most of them today struggle to keep up with the technology and facilities that the best hospitals both in India and abroad provide.

Whereas, KMCH has been a leader with multiple specialities and can proudly list itself among the best centers in the country and also be compared with leading centers around the world. What is remarkable about KMCH is that all these achievements were made possible especially with its presence in a non-metro city, where patient billing is generally lower by 25 to 50% than that of metros.

During Silver Jubilee celebrations, nearly 100 employees and 21 Doctors were recognized, felicitated and rewarded for their continuous service and dedication for a considerable period of time, where some were associated since the start of business operations in KMCH. This clearly indicates that the entire work force is highly motivated exhibiting exemplary solidarity and work as a family for the growth of the Hospital resulting in improved services to the patients.



All the specialities are managed by leading Physicians / Surgeons who have won many laurels as a result of their professional expertise, knowledge and having more than two decades of continuous dedicated service. Dr.Vivek Pathak one of the leaders in renal transplant and a pioneer in steroid free transplant is one of them. Dr.Thomas Alexander is recognised worldwide as a sensation in developing and formulating a program for ensuring that a patient with bad heart attack receives appropriate treatment in the shortest possible time (STEMI INDIA) and has been with KMCH for 23 years. Dr.Mathew Cherian a leader in the field of interventional radiology in India is also the Proctor for training doctors in Southeast Asia and has been serving the hospital for more than 24 years. Several of the key administrative staff have also been a part of this hospital from its inception.

The repeated awards received by the Hospital is a testimony for the high quality of health care deliveries provided by the Hospital. With this certainty and capability we are eager to spread our wings to Chennai and are confident of becoming a leader in Metros as well.



Recognition by ICICI Lombard Health Insurance & CNBC : The Hospital was recognised as “**The Best Multi-Speciality Hospital**” in non-metro city for the second time by ICICI Lombard Health Insurance & CNBC TV18. This is indeed a feat considering the fact that over the last few years several new hospitals with state-of-the-art technology has come up around and yet KMCH continues to be a leader. No doubt this talks about the vision of its leaders who have always focused on excellence in medical care.

Liver Transplant a routine surgery at KMCH:

Over the past one year the hospital has performed 35 successful liver transplants. This makes KMCH the largest center outside Chennai to perform successful liver transplants. Over the next one year this Department will be strengthened by providing exclusive liver ICU. With additional support from the imaging department which provides both MRI and ultrasound upgrades to ensure that early cirrhosis of the liver can be picked up and the further plan to establish a living donor program will help to reduce the waiting time.



Cardiac and Lung transplant: The Department of heart and lung transplant also has continued its journey by performing both lung and heart transplants. Again in this area the hospital will be providing added infrastructure to ensure that these programs draw additional patients who desperately are in need for a second chance to live. Heart and Lung transplants are extremely complex and KMCH plans to be a leader in this area.

The Department of cardiac surgery under the leadership of Dr. Prashant Vaijyanath has also performed minimally invasive cardiac surgeries under 3-D laparoscopy a first of its kind in Asia. Today, the Department of cardiac surgery caters to a full spectrum of extremely complex cardiac ailments.

The Department of paediatric cardiology has also been a forerunner by doing complex interventions in small children. They have successfully placed a pacemaker in a small child, a treatment that was unheard of in this region. The electrophysiology lab has also become a very active Department providing treatment for acute complex rhythm disorders.



Cutting-edge Technology in Bone Marrow Transplant: The Department of Bone Marrow Transplant has once again forged ahead by doing ABO incompatibility bone marrow transplants, an extremely complex procedure which was made possible only by the sheer dedication of the team headed by Dr. Rajasekar. Bone marrow transplants makes the patient susceptible to all forms of infection and the slightest error can put the life of the patient in jeopardy.

Inauguration of state-of-the-art new microscope: The Department of Neurosurgery was the epicentre of activity during the Annual Conference of the Neurological Society of India. Several complex vascular diseases of the brain were demonstrated live during the workshops. Using a new state-of-the-art microscope specialised angiography is performed per-operatively, using specialised dyes, again one of its kind technology used in this region. With the help of the microscope, treatment of complex aneurysms were demonstrated routinely in our center. In addition the Department of neuro interventional radiology also demonstrated the use of flow diverter in a complex aneurysm. Such procedures have never been done in the city before.



The wonder called a rhenium: Thanks to the dedication of the Department of Nuclear Medicine RADIO Embolisation which is otherwise an extremely expensive procedure is now easily available at a very competitive cost. More than 40 patients have been treated by RADIO embolization, where the radio isotope rhenium is provided by the Nuclear Medicine Department. This isotope is super selectively injected into the tumour bed by the interventional radiology team. The tumour response is unbelievably good. The Department of Nuclear Medicine is now hosting the world Congress in rhenium with the aim to not to hold back this technology to only one Center in India but to ensure that people across this country and neighbouring countries also get to learn how to use rhenium to ensure longer lives for patients with liver cancer. Several of these patients can now go ahead with liver transplant practically curing them of their disease forever.

Department of radiation in medical oncology: The number of patients treated by these departments have also increased substantially. The Department of radiation oncology continues



to spearhead state-of-the-art radiotherapy in this region and remains as the only center providing Rapid arc and stereotactic radiosurgery from the inception. Most of the patients are amazed at the lack of its side-effects with this treatment at KMCH. It is all about accuracy and limiting the radiation to the target alone. The Department of medical oncology also works closely with radiation and surgical oncology to ensure that the best is offered to these patients.

Departments of diagnostic and interventional radiology: Rated as one of the best in the country, it has added to its armamentarium an upgrade for the MRI system which has several key advantages. It will be the first MRI in this region to be working silently, taking away the excessive noise in the MR room and enhances the patient comfort enormously. In addition the new upgrade will allow doctors to virtually feel the liver and detect cirrhosis and also help to quantify the amount of fat in liver which is widely prevalent in India. Further the addition of a new ultrasound machine allows doctors to predict the stiffness of the liver which helps to diagnose cirrhosis.



Departments of minimally invasive and general surgery: These are some of the busiest departments in the hospital and they have been doing extremely good work in the area of bariatric surgery which can provide unbelievable benefits to a patient who is morbidly fat. The Hospital is also contemplating to start robotic surgeries.

Research the secret word that can change the country: The hospital has started a Research Foundation with the aim of supporting genuine research especially in the areas of cardiac diseases and diabetes. India is the capital of both the diseases. We believe that prevention is the only way to improve the health of these patients. The secret to prevention is finding out the root cause. The hospital believes that over the next few years it will be an identified center for genuine high-quality research.



And Miles to Go before We Sleep:

We do not rest content in success but realise that this journey can never end. We are excited about our progress and achievements but we believe there is so much more to do like setting up more centers of excellence with Pan India presence. We need to further our transplant program. Today we are the leader in this city but that is not where we stop to be in the same league as that of the largest centers in this country.

We whole heartedly thank all our patients for giving us an opportunity to serve them and give them timely succour. We feel excited when patients come to our Hospital for treatment with confidence when everyone else has turned them down and we are always ready to take up such challenges. We hope that in the future also we continue to fulfil this trust that the people of this region / country has placed on us.

NOTICE

NOTICE is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of Kovai Medical Center and Hospital Limited will be held on Friday, the 25th September 2015 at 11.00 a.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 Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and Statutory Auditor thereon. To receive, consider and adopt the Audited Consolidated Balance Sheet as at March 31, 2015 in terms of Section 129(4) of the Companies Act, 2013.
2. To declare dividend on equity shares for the financial year ended 31st March 2015.
3. To appoint Dr.Arun N Palaniswami (holding DIN: 02706099) as Director to fill the vacancy of the retiring Director Dr.P.R.Perumalswami (holding DIN: 01099683), who retires at this Annual General Meeting and not opting for re-appointment and in this regard to consider and if thought fit to pass the following resolution as an ordinary resolution.

“RESOLVED THAT Dr.Arun N Palaniswami (holding DIN: 02706099) in respect of whom the company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed as Director of the company liable to retire by rotation in the vacancy caused by retirement of Dr.P.R.Perumalswami”.

4. To consider and if though fit to pass the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Section 139 and other applicable provisions if any of the Companies Act, 2013 and the rules made thereunder and pursuant to the recommendation of the Audit Committee of the Board M/s Haribhakti & Co. LLP, Chartered Accountants, Coimbatore having ICAI Firm Registration No: 103523W be and are hereby appointed as Auditors of the company to hold office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the 34th Annual General Meeting of the company subject to ratification by the members at every Annual General Meeting in accordance with the provisions of Section 139(1) of the Companies Act, 2013 on such remuneration and reimbursement of out of pocket expenses as may be mutually agreed between the Auditors and the Board.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution”.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 (the Act) the Articles of Association of the Company be and are hereby amended in the following manner.

In the text of the following resolutions the expression “the words” shall include “number” wherever the context so required.

Article 103 (b) to be substituted by the following Article.

The Managing Director or Joint Managing Director holding office, shall not be subject to retirement by rotation.

PROVIDED THAT the above provision shall be limited to not more than two persons holding office as Managing Director / Joint Managing Director.

PROVIDED FURTHER THAT Dr.Nalla G Palaniswami (Managing Director) and Dr.Thavamani Devi Palaniswami (Joint Managing Director) shall not be subject to retirement by rotation until such time they are Directors of the Company”.

6. To consider and if thought fit, to pass the following resolution as a special resolution:

“RESOLVED THAT pursuant to provisions of Section 190, 196, 197, 198, 203 and 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.Thavamani Devi Palaniswami as Joint Managing Director of the Company for a period of five years with effect from 29.07.2015 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.Thavamani Devi Palaniswami”.

“RESOLVED FURTHER THAT in the absence or 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 under subject to the necessary approvals and ceiling specified under Schedule V of the Companies Act, 2013”.

I. SALARY

₹ 5,00,000/- (Rupees Five lacs only) per month. (Subject to the provisions of Income Tax Act, 1961)

[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 29.07.2016 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.****d. 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, 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.Thavamani Devi Palaniswami and accepted by the Nomination and Remuneration Committee.

VI. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowance shall be governed under Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modifications or re-enactment thereof, as may, for the time being in force.

7. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED THAT in accordance with the provisions of Section 190, 196, 197, 198, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications / re-enactments thereof, for the time being in force) the consent of the Company be and is hereby accorded to the appointment of Dr.Arun N Palaniswami as Whole Time Director of the Company for a period of three years with effect from 25.09.2015, on the terms and conditions including remuneration as are set out hereunder with liberty to the Directors (hereinafter referred to as the Board) 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 V to the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force or any amendments and / 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.Arun N Palaniswami.

I. SALARY

₹ 3,00,000/- (Rupees Three lacs only) per month. (Subject to the provisions of Income tax Act, 1961)

[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 25.09.2016 subject to the confirmation of the Board of Directors based on the recommendation of the Nomination and Remuneration Committee of Directors].



II. 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

Reimbursement of medical expenses actually incurred for self and family as per the rules of the Company.

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.

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 year of service.

c. Encashment of leave at the end of the tenure as per the rules of the Company.

d. 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, 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.Arun N Palaniswami and accepted by the Nomination and Remuneration Committee.

V. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, perquisites and other allowances shall be governed under Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modifications or re-enactment thereof, as may, for the time being in force. The provisions for minimum remuneration shall be limited to initial period of three years only.

8. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

“RESOLVED that pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory amendments and modifications thereof, for the time being in force, the remuneration payable to Mr.V.Sakthivel, Partner, M/s RKMS & Associates, a firm of Cost Accountants in Practice, Tirupur, having Membership No.23292, appointed by the Board of Directors to conduct the Audit of the cost accounting records of the Company for the Financial years 2014-15 and 2015-16 amounting to ₹ 1,25,000/- p.a. and ₹ 1,50,000/- p.a. exclusive of service tax as applicable and re-imburement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

“RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

NOTES

1. A member is entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the company.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or other authority shall be deposited at the Registered Office of the company at Post Box No.3209, Avanashi Road, Coimbatore – 641 014 not less than 48 hours before the commencement of the meeting.

2. In case of joint holders attending the meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.
3. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting. Corporate Members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

4. The Statement of material facts pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Item No.5,6,7 & 8 of special business is annexed hereto.
5. 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, 19th September 2015 to Friday, 25th September 2015 (both days inclusive) in connection with the 29th Annual General Meeting.
6. Dividend upon its declaration at the meeting will be paid within the statutory period of 30 days to those members whose names appear:
 - a. As members on the Registr of Members of the company as on 25th September 2015 after giving effect to all valid share transfers in physical form which would be received by the company upto the closing hours of business on 18th September 2015.
 - b. As beneficial owners as per the list to be furnished by NSDL/CDSL as at the closing hours of business on 18th September 2015.

7. Electronic Clearing Service (ECS) Facility

Shareholders holding shares in physical form who now wish to avail ECS facility, are requested to forward their ECS mandate in the prescribed form to the Company's Registrar and Share Transfer Agent, M/s GNSA Infotech Limited, STA Department, Nelson Chambers, F - Block , 4th Floor , No . 115 Nelson Manickam Road , Aminjikai , Chennai – 600 029.

8. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, amended, dividend for the financial year ended 31st March 2008 and thereafter, which remains unclaimed for a period of 7 years from the date of transfer of the same to the unclaimed dividend account as referred to in sub-section (6) of section 124 of the Act, will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2008 or subsequent financial years are requested to make their claim to the Secretarial Department of the Company at Post Box No.3209, Avanashi Road, Coimbatore – 641 014. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund as above, no claim shall lie in respect thereof.
9. The company transferred all unclaimed dividend declared upto the financial year ended 31st March 2007 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978.
10. 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 Limited, STA Department, Nelson Chambers, F-Block, 4th Floor, No.115 Nelson Manickam Road, Aminjikai, 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.
 - 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 their ledger folio numbers in all correspondences.
11. Members holding shares in dematerialised form (electronic form) are requested to intimate any change in their address, bank mandate etc. directly to their respective Depository Participants.
 12. 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.
 13. The Companies Act, 2013 permits sending of documents through electronic mode instead of sending the physical copy of the document(s). The members are requested to support this paperless Service by registering / updating their e-mail address with the company or Share Transfer Agent M/s.GNSA Infotech Limited, Chennai.
 14. 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 inconvenience.
 15. 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 Registrars 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.
 16. Electronic copy of the Annual Report for the financial year 2014-15 is being sent to all the members whose Email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2014-15 is being sent in the permitted mode.
 17. Pursuant to the requirements of Corporate Governance under Clause 49 of Listing Agreement entered into with the Stock Exchange(s), the brief resumes of all the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board/Committees, shareholding and relationships between Directors inter-se, are provided in the Notice forming part of the Annual Report.

18. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the Company's website for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost. For any communication, the shareholders may also send requests to the Company's designated email id: secretarialdept@kmchhospitals.com.
19. As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of Annual Report to the meeting.
20. Members seeking any information as regards the accounts are requested to write to the Company atleast seven days prior to the meeting so as to enable the management to keep the information available.

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 facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL):

I. The instructions for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- (i) Open email and open PDF file viz; "kmchltd.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of KMCH LTD.
- (viii) Now you are ready for e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to madhu@ksrandco.in with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- I.(a) Initial password is provided as below/at the bottom of the Attendance Slip/EVEN (E-voting Event Number) User ID and Password.
- (b) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on 22nd September 2015 (9:00 am) and ends on 24th September 2015 (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 18th September 2015 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.
- VI. 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 September 18th, 2015.
- VII. Mr.C.V.Madhusudhanan, Practising Company Secretary (Membership No.FCS 5367), Partner, KSR & Co Company Secretaries LLP, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot form received from the members who do not have access to the e-voting process) in a fair and transparent manner.



NOTICE OF ANNUAL GENERAL MEETING

VIII. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with Annual Report) so as to reach the Scrutinizer Mr.C.V.Madhusudhanan, Practicing Company Secretary appointed by the Board of Directors of the Company not later than Thursday, September 24, 2015 (5.00 p.m. – IST). Ballot Form received after the date will be treated as invalid. A member can opt for only one mode of voting i.e. either through e-voting or by ballot. If a member casts vote by both modes then voting done through e-voting shall prevail and ballot shall be treated as invalid.

The facility for voting through ballot paper will be made available at the venue of the Annual General Meeting to enable the Shareholders to vote. Shareholders who have already exercised their votes through remote e-voting or by ballot form will not be eligible to vote again in the Annual General Meeting.

- IX. The Scrutinizer shall within a period not exceeding 2 (two) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.
- X. The Results shall be declared after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kmchospitals.com and on the website of NSDL within 2 (two) working days from the date of AGM of the Company and communicated to BSE Limited where the shares of the company are listed.

By order of the Board

Coimbatore
29.05.2015

CS. S.P. CHITTIBABU
COMPANY SECRETARY

ANNEXURE TO THE NOTICE**THE STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 (1) OF
THE COMPANIES ACT, 2013****Item No: 5**

Pursuant to Section 152 (6) of the Companies Act, 2013 not less than two-third of the total number of Directors of the public company (excluding Independent Directors) are required to retire by rotation. The remaining one-third of the Directors need not retire by rotation. The Board of Directors at their meeting held on 29.05.2015 decided to nominate Dr.Nalla G Palaniswami, Managing Director and Dr.Thavamani Devi Palaniswami, Joint Managing Director as Directors not liable to retire by rotation.

In view of the above it is proposed to amend Article 103(b) of the Articles of Association.

Pursuant to the provisions of Section 14 of the said Act, amendment of Articles of Association would require approval of shareholders by way of special resolution. Accordingly this matter has been placed before the shareholders for approval.

The Board of Directors commend passing of the resolution set out in item no.5 of the notice.

None of the Directors except Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami, Dr.Mohan S Gounder, Dr.Purani P Palaniswami, Dr. Arun N Palaniswami and Dr. P.R.Perumalswami are concerned or interested in the proposed resolution.

Item No : 6

The members of the Company vide their Annual General Meeting held on 12.08.2010 had appointed Dr.Thavamani Devi Palaniswami as Joint Managing Director for a period upto 28th July 2015. The Board in its meeting held on 29.05.2015 had resolved to re-appoint Dr.Thavamani Devi Palaniswami for a period of five years. The Nomination and Remuneration Committee in its meeting held on 20.05.2015 had also recommended the remuneration of Dr.Thavamani Devi Palaniswami for a period of five years subject to the approval of members.

Dr.Thavamani Devi Palaniswami MD AB (USA) 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 USA for more than 20 years and gained valuable experience in Hospital Management. Considering her experience and contribution to the growth of the Company, the Board of Directors have re-appointed Dr.Thavamani Devi Palaniswami as Joint Managing Director of the Company for a further period of 5 years with effect from 29.07.2015. The terms and conditions of her re-appointment and payment of remuneration are subject to the approval of the shareholders in the General Meeting.

The proposed re-appointment of Dr.Thavamani Devi Palaniswami as Joint Managing Director and the payment of remuneration are in conformity with Schedule V of the Companies Act, 2013.

In the event of inadequacy or absence of net profits during any financial year, the remuneration payable shall be maximum permissible under Section II of Part II of Schedule V of the Companies Act, 2013.

Pursuant to Section 190 of the Companies Act, 2013, the appointment and terms and conditions as set out in the resolution shall be deemed to be memorandum as required under the said section.

In terms of Article 103(b) of the amended Articles of Association of the Company, Dr.Thavamani Devi Palaniswami is not liable to retire by rotation.

Further during the term of office for which Dr.Thavamani Devi Palaniswami was appointed she will cross the age of 70 years. Hence, in terms of Part I of schedule V of the Companies Act, 2013, the resolution for appointment of Dr.Thavamani Devi Palaniswami as Joint Managing Director of the company is proposed as a special resolution.

None of the Directors except Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami, Dr.Mohan S Gounder, Dr.Purani P Palaniswami, Dr.Arun N Palaniswami and Dr.P.R.Perumalswami are interested or concerned in the proposed resolution.

The Board recommends this resolution set out in Item no.6 for the approval of the members.

Item No : 7

Dr.Arun N Palaniswami MBBS, MD AB (Internal Medicine) is a specialist in Internal Medicine and was practicing medicine in USA for more than five years. With his extensive insight into the operations of various health care facilities across United States, Dr.Arun N Palaniswami used his knowledge and expertise to provide guidance to KMCH over these years. He has also volunteered his time and experience gained in US in implementing quality standards at KMCH.

In view of the various new projects embarked by KMCH, the volume of business is consistently on the increase associated with demanding work load necessitates the need for appointing Dr.Arun N Palaniswami as a Whole Time Director of the Company with effect from 25.09.2015 for a period of three years and in terms of Articles of Association he is liable to retire by rotation. The Nomination and Remuneration Committee had also recommended his remuneration and other terms and conditions at its meeting held on 20.05.2015.

The proposed appointment of Dr.Arun N Palaniswami as Whole Time Director and the payment of remuneration are in conformity with Schedule V of the Companies Act, 2013.

In the event of inadequacy or absence of net profits during any financial year, the remuneration payable shall be maximum permissible under Section II of Part II of Schedule V of the Companies Act, 2013.

Pursuant to Section 190 of the Companies Act, 2013, the appointment and terms and conditions as set out in the resolution shall be deemed to be memorandum as required under the said section.

The terms and conditions of the appointment and payment of remuneration are subject to the approval of the Shareholders in General Meeting.

None of the Directors except Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami, Dr.Mohan S Gounder and Dr.Purani P Palaniswami are interested or concerned in the proposed resolution.

The Board recommends this resolution set out in item no.7 for the approval of the members.

**Item No : 8**

In view of the revised Cost Audit Rules as part of new Companies Act, 2013 notified by the Ministry of Corporate Affairs in the month of July 2014, the Board of Directors on the recommendation of the Audit Committee has approved the appointment of Mr.V.Sakthivel (Membership No.23292) Cost Accountant, M/s RKMS & Associates, Cost Accountants, Tirupur as Cost Auditor to conduct audit of cost records of the company for the financial year ending 31st March 2015 and fixed his remuneration as ₹ 1,25,000/- (Rupees One lac and twenty five thousand only) plus reimbursement of out-of-pocket expenses and fixed his remuneration as ₹ 1,50,000/- (Rupees One lac and fifty thousand only) plus reimbursement of out of pocket expenses to conduct audit of cost records of the company for the financial year ending 31st March 2016 respectively.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor for the financial year ending 31st March 2015 and 31st March 2016 has to be ratified by the shareholders.

Accordingly, the consent of the members is sought for passing an ordinary resolution set out at item no.8 of the notice for ratification of remuneration payable to the Cost Auditor for the financial year 31st March 2015 and 31st March 2016.

None of the Directors, Key Managerial Personnel of the company / their relatives are in any way, concerned or interested financially or otherwise in the resolution set out at item no.8 of the notice.

The Board commends the ordinary resolution set out in item no.8 of the notice for the approval of the members.

By order of the Board

Coimbatore
29.05.2015

**CS. S.P. CHITTIBABU
COMPANY SECRETARY**

The details of Directors appointment / re-appointment in the forth coming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement) are as follows :

S.No.	Particulars	Dr.Thavamani Devi Palaniswami	Dr.Arun N Palaniswami
1.	DIN	00012135	02706099
2.	Date of Birth & Age	17.11.1947 & 68 yrs.	03.08.1979 & 36 yrs
3.	Year of Induction to the Board	2000	-
4.	Qualification	MD AB (USA)	MBBS MD AB (Internal Medicine)
5.	Shareholding	1094530 Equity shares	10000 Equity shares
6.	Experience	45 years	6 years
7.	Relationship	Dr.Thavamani Devi Palaniswami is related to Dr.Nalla G Palaniswami (Managing Director), Dr.P.R.Perumalswami (Director), Dr.Mohan S Gounder (Joint Managing Director) and Dr.Purani P Palaniswami (Director) of the Company.	Dr.Arun N Palaniswami is related to Dr.Nalla G Palaniswami (Managing Director), Dr.Thavamani Devi Palaniswami (Joint Managing Director), Dr.Mohan S Gounder (Joint Managing Director) and Dr.Purani P Palaniswami (Director) of the Company.
8.	Directorship / Membership in other Public Ltd. Companies	Purani Hospital Supplies Ltd., Idhayam Hospitals Erode Ltd., Aosta Software Technologies (I) Ltd., EDG Pharmaceuticals (India) Ltd.	Purani Hospital Supplies Ltd., Aosta Software Technologies (I) Ltd., EDG Pharmaceuticals (India) Ltd.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their **Twenty Ninth Annual Report** along with the audited annual accounts for the financial year ended 31st March, 2015.

FINANCIAL RESULTS (STANDALONE)

(₹ in Lacs)

	<u>2014-15</u>	<u>2013-14</u>
Operating Income	40162.07	33406.05
Other Income	672.73	469.70
Total Income	40834.80	33875.75
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	10100.38	7755.70
Profit Before Taxation (PBT)	5942.77	3731.94
Provision for Taxation	2072.87	1360.04
Profit After Taxation (PAT)	3869.90	2371.90
Balance of Profit brought forward	5384.95	3355.07
Profit available for appropriations	9254.85	5726.97
Appropriations:		
Adjustments related to fixed assets (Net of Deferred Tax)	55.78	-
Dividend (inclusive of dividend tax)	197.54	192.02
Transfer to General Reserve	200.00	150.00
Balance carried forward to Balance sheet	8801.53	5384.95

RESULTS OF OPERATIONS

The Income increased to ₹ 40834.80 lacs from ₹ 33875.75 lacs in the previous year at a growth rate of 21%. The EBITDA amounted to ₹ 10100.38 lacs as against ₹ 7755.70 lacs in the previous year. The Hospital earned a net profit of ₹ 3869.90 lacs for the year as against ₹ 2371.90 lacs in the previous year registering year-on-year (YOY) growth of 63%.

The consolidated Income increased to ₹ 40821.78 lacs compared to ₹ 33857.29 lacs in the previous year, registering a growth of 21%. Consolidated net profit after tax increased to ₹ 3853.36 lacs representing a growth of 62%.

CONSOLIDATED FINANCIAL STATEMENTS

The Directors also present the audited consolidated financial statements incorporating the duly audited financial statements of the subsidiary and as prepared in compliance with the Companies Act, 2013, applicable Accounting Standards and the Listing Agreement as prescribed by SEBI.

DIVIDEND

After considering the Company's profitability, Cash flow and overall financial performance, your Directors are pleased to recommend a dividend of 15% (₹ 1.50 per share) for the financial year ended 31.03.2015.

The total out flow on account of dividend, if approved by the Members, will be about ₹ 197.54 lacs including ₹ 33.41 lacs payable towards dividend tax, surcharge and cess on the same.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 200 lacs to the General reserve out of the amount available for appropriation and an amount of ₹ 3416.58 lacs is proposed to be retained in the Statement of profit and loss.

BOARD MEETINGS

The Board of Directors met four times during this financial year. The disclosure on Board meetings and attendance of Directors are provided in the Corporate Governance Report.

AUDIT COMMITTEE

The composition of Audit Committee, number of meetings held and the attendance of Directors there to have been provided under an identical head in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITIES

The Board on 23.05.2014 constituted the CSR Committee and formulated CSR policy of the company and adopted it in accordance with Section 135 read with Schedule VII and other applicable provisions of the Companies Act, 2013. The purpose of the Committee is to formulate and manage the CSR policy of the company. The Committee will be overseeing the CSR activities, programmes and execution of initiatives as per guidelines. The company has initiated CSR activities in line with, CSR policy and have already earmarked to spend an amount of ₹ 57 lacs towards CSR expenditure. The statement in this respect is appended as "**Annexure - I**" in the report with regard to the CSR activities.

INFORMATION ON STATUS OF COMPANY'S AFFAIRS

Information on operational and financial performance etc., is provided in the Management Discussion and Analysis Report, which is annexed to the Directors' Report and has been prepared inter-alia in compliance with the terms of clause 49 of listing agreement with Indian Stock Exchanges.

INFECTION CONTROL AND ENVIRONMENT

Infection Control is the discipline concerned with preventing nosocomial or health care associated infection. One of our key clinical priorities is to protect our patients, visitors and staff from the risk of health care associated infections. Various infection control procedures like effective management of Bio-Medical waste, good hand hygiene, environmental cleaning, antibiotic control and excellent intravenous line care have helped us to effectively tackle the incidence of infections in our hospital.

LIVER TRANSPLANT

Your hospital has successfully launched its Liver Institute during July, 2014 which offers comprehensive, multi-disciplinary disease management, specializing in Liver disease, Liver transplants. It also envisages treating ailments relating to bile ducts and pancreas in the future. So far we have successfully completed 35 liver transplants.

CREDIT RATING

CARE has once again upgraded your Company's Long term bank facilities to "CARE A-" (single A minus) from "CARE BBB+" and short term bank facilities to "CARE A2" (A Two) from "CARE A3+".

AWARDS

Your Hospital was awarded "**Nursing Excellence Award**" by the Association of Healthcare Providers of India and also was recognised by ICICI Lombard Health Insurance & CNBC TV18 as "**The Best Multi-Speciality Hospital**" in non-metro city for the second time.

HOSPITAL ACCREDITATION

Your Hospital has been certified by National Accreditation Board for Hospitals and Health care Providers (NABH) for the delivery of high standards for safety and quality care to the patients.

DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the listing agreement, a structured questionnaire was administered after taking into consideration of various aspects to the Board functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance to ascertain the efficacy and functioning of Board and its members.

The performance evaluation of Independent Directors was completed. The performance evaluation of the Chairman of the Board and Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the outcome of the evaluation process.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to requirement of Clause 49 of the Listing Agreement, Company has a familiarization programme for the Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Board Members are provided with all the necessary documents / reports and internal policies to enable them to familiarize with the Company's procedures and practices.

DIRECTORS

Dr.P.R.Perumalswami, Director retires at the ensuing AGM and is not opting for re-appointment.

Your Directors place on record the valuable guidance, support and advice extended by Dr.P.R.Perumalswami during his tenure as Director.

As per the provisions of Section 152(6)(e) of the Companies Act, 2013 at the Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

The Company has received a notice in writing from a member along with a deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Dr.Arun N Palaniswami for the office of Director of the Company.

The Board at its meeting held on 29.05.2015 recommended the appointment of Dr. Arun N Palaniswami as Whole Time Director with effect from 25.09.2015 subject to the approval of members. Hence, necessary resolution is placed for approval.

APPOINTMENT OF JOINT MANAGING DIRECTOR

The term of office of Dr.Thavamani Devi Palaniswami, Joint Managing Director of the Company expires on 28th July 2015. The terms and conditions of her re-appointment for a further period of 5 years and payment of remuneration are subject to the approval of the members of the company at the ensuing Annual General Meeting by means of a special resolution.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company met with the criteria of their Independence laid down in Section 149(6).

COMPLIANCE OF CODE OF CONDUCT

The compliance of code of conduct by Directors have been affirmed by the Managing Director and is disclosed under point no.20 of Corporate Governance Report.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company as stipulated under the Companies Act, 2013 are Dr.Nalla G Palaniswami, Managing Director, Dr.Thavamani Devi Palaniswami, Joint Managing Director, Dr.Mohan S Gounder, Joint Managing Director, CA.P.K.Gopikrishnan, Chief Financial Officer and CS.S.P.Chittibabu, Company Secretary. There was no appointment or cessation of Key Managerial personnel during the financial year 2014-15.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The particulars regarding conservation of energy, technology absorption and foreign exchange earnings and expenditure stipulated under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rule, 2014, are annexed herewith as “**Annexure - IV**” and forms part of this Report.

SUBSIDIARY COMPANY

Idhayam Hospitals Erode Limited had become a wholly owned subsidiary of the company with effect from 23.04.2007.

The consolidated financial statement of the company including the financial results of the said subsidiary is also included in this report. A statement of salient features of financials of Idhayam Hospitals Erode Limited pursuant to Section 129(3) of the Companies Act, 2013 in **Form AOC-1** is annexed and forming part of the report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there was no change in the nature of business of the Company or any of its subsidiaries.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and date of the report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

As on March 31, 2015, there were no outstanding loans or guarantees covered under the provisions of Section 186 of the Act. The Company has certain quoted and unquoted investments owned by the Company. The details of changes in Investments covered under the provisions of Section 186 of the Act are given in the Note No.13 to the financial statements.

VIGIL MECHANISM

The company has set up vigil mechanism for Directors and Employees to report their genuine concerns, the details of which are given in the Corporate Governance Report. The policy on Vigil Mechanism and Whistle Blower Policy have been posted on the website of the Company <http://www.kmchhospitals.com/pdf/whistleblower.policy.pdf>.

EXTRACT OF ANNUAL RETURN :

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** is annexed herewith as “**Annexure - V**” and forming part of report.

RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of the Committee and its terms of reference are set out in the Corporate Governance Report. The steps taken by company to mitigate the risk are disclosed under an identical head in the Management Discussion and Analysis forming part of Directors' Report.

RELATED PARTY TRANSACTIONS AND POLICY ON RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in **Form AOC-2** is annexed as “**Annexure - III**” and forming part of the report.

The Board has formulated Policy on Related Party Transactions and the same is uploaded on the Company's website at [http://www.kmchhospitals.com/pdf/Policy Related Party Transaction.pdf](http://www.kmchhospitals.com/pdf/Policy%20Related%20Party%20Transaction.pdf).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status and the Company's operations in future.

HUMAN RESOURCES DEVELOPMENT

KMCH lays paramount importance to human resources development and provides congenial atmosphere and frame work for helping employees to develop their personal and organizational skills, knowledge and abilities. Your Hospital believes in developing the most superior workforce so that organization and individual employees can accomplish their work goals by providing improved service to the patients. The total strength of the employees of the company as on 31st March 2015 was 3387.

INDUSTRIAL RELATIONS

The industrial relations scenario continued to be cordial during the year under review.

PARTICULARS OF REMUNERATION PAID TO KEY MANAGERIAL PERSONNEL

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of the remuneration of Directors, Key Managerial Personnel and employees are enclosed as "**Annexure - VI**" forming part of the report.

The Nomination and Remuneration Policy of the Company has been disclosed on website of the Company and the web link thereon is <http://www.kmchhospitals.com/pdf/Nomination.Remuneration.Evaluation.Policy.pdf>.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT, 2013).

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal complaint committee has been setup to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy.

During the year 2014-15, no complaints were received by the Company related to sexual harassment.

DEPOSITS

As per Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits), Rules, 2014, the Company has not accepted any deposits from the public during the year.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s KSR & Co. Company Secretaries LLP, Coimbatore, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2014-15. Secretarial Audit Report is annexed herewith as "**Annexure – II**" forming part of the report.

COST AUDIT

In terms of Section 148 and other applicable provisions of the Companies Act, 2013, read with Companies (Cost records and Audit) Rules 2014, Mr.V.Sakthivel, Cost Accountant, M/s.RKMS & Associates, Tirupur was appointed as Cost Auditor of the Company by the Board on recommendation of Audit Committee for the financial year 2014-15 and 2015-16. The Remuneration of the cost auditor is subject to ratification by the member at the ensuing Annual General Meeting.

STATUTORY AUDITORS

M/s Haribhakti & Co. LLP, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. M/s. Haribhakti & Co. LLP are eligible for re-appointment and have confirmed that their re-appointment, if approved, will be in compliance with Section 141 of the Companies Act, 2013 for a fresh term of 5 years.

As per Section 139 of the Companies Act, 2013, a Listed Company shall not appoint / re-appoint an Audit firm as Statutory Auditors for more than 2 terms of Five consecutive years. M/s.Haribhakti & Co. LLP have already served as the Company's Statutory Auditor's for a period of 5 years, from 2010-11. They are eligible for re-appointment as Statutory Auditors of the Company for a further period of five years.

Your Board recommends the re-appointment of M/s.Haribhakti & Co. LLP as Statutory Auditor's of the Company, to hold office from the conclusion of this AGM to the conclusion of the sixth consecutive AGM to be held in the year 2020 (Subject to ratification of the appointment by the members at every AGM held after the ensuing AGM).

LISTING WITH STOCK EXCHANGE :

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16 to BSE where the Company's Shares are listed. During the year the company has submitted an application with Madras Stock Exchange Limited for voluntary delisting of its shares and MSE has delisted the shares of the Company from its list of securities.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the listing agreement a report on corporate governance is given in the section titled "Report on Corporate Governance" forming part of Directors' Report.

A Certificate from the Practising Company Secretary confirming that the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.



ACKNOWLEDGEMENTS

Your Hospital is entering into the 25th year of commercial operations and continues to serve its patients with motherly care by matching the international standards in health care. The Board has decided to celebrate the Silver Jubilee function during the year 2015-16 and would like to place on record it's heartfelt thanks for the continued support received from all stakeholders especially from our shareholders, who have contributed richly to the success of the Hospital.

The Board expresses its grateful appreciation for the continued assistance and co-operation received from Government authorities, financial institutions, Banks, Customers, Suppliers and investors.

The Board also places on record its appreciation for the dedication and commitment extended by its consultants and employees at all levels and their contribution to the growth and progress of the company.

For and on behalf of the Board

Coimbatore
29.05.2015

Dr. NALLA G PALANISWAMI
MANAGING DIRECTOR

ANNEXURE – I**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

- 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

During the year, the company initiated sanitation and preventive health care programmes in line with CSR policy of the company and within the purview of Schedule VII of the Companies Act, 2013. Web link to the CSR Policy: <http://www.kmchhospitals.com/CSR-Policy.pdf>.

- 2. The Composition of the CSR Committee.**

The CSR Committee consists of Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami, Mr.A.K.Venkatasamy and Mr.K.Saminathan, Directors of the Company.

3. Average net profit of the company for last three financial years : ₹ 2829.77 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 56.60 Lacs
5. Details of CSR spent during the financial year:
 - a) Total amount spent for the financial year: ₹ 26.88 Lacs
 - b) Amount unspent, if any: ₹ 29.72 Lacs*

* Work in progress (Refer Point No. 6)

c) Manner in which the amount spent during the financial year is detailed below.

(₹ in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs subheads : (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1.	Construction of Toilet facilities	Sanitation	Muthamizh Nagar, Coimbatore Dist. Tamilnadu	21.65	17.45	17.45	21.65 (Direct)
2.	Lab Test	Preventive Healthcare	Nallampatti, Erode Dist. Tamilnadu	10.38	9.43	9.43	10.38 (Microbiological Laboratory)
3.	Construction of Toilet facilities	Sanitation	Kalapatti, Coimbatore Dist. Tamilnadu	25.89	-	-	25.89 (Direct)
	Total			57.92	26.88	26.88	

- In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: The company is in the process of spending the allotted sum of ₹ 56.60 lacs towards CSR project and the same is expected to be achieved during the year 2015-16.
- The CSR committee of the company hereby confirms that the implementation and monitoring of the CSR policy, is in compliance with the CSR objectives and policy of the company.

Coimbatore
14.03.2015

Dr.Nalla G Palaniswami
Chairman, CSR Committee

Mr.K.Saminathan
Member, CSR Committee



ANNEXURE – II SECRETARIAL AUDIT REPORT

To
The Members,
Kovai Medical Center and Hospital Limited,
Post Box No. 3209, Avanashi Road,
Coimbatore - 641 014.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provides a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For KSR & Co Company Secretaries LLP

Coimbatore
29.05.2015

C.V.Madhusudhanan
Partner
(FCS: 5367; CP: 4408)



FORM NO. MR-3
SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
for the Financial Year ended 31st March, 2015

To

The Members,
Kovai Medical Center and Hospital Limited,
Post Box No. 3209, Avanashi Road,
Coimbatore - 641 014.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kovai Medical Center and Hospital Limited** (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2015 in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, We hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2015 according to the provisions of:

- a. The Companies Act, 1956 and the Rules made there under to the extent applicable.
- b. The Companies Act, 2013 and the Rules made there under.
- c. The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- d. The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- e. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- f. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- vi. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client.
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- viii. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- ix. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
- g. The following laws, regulations, directions, orders applicable specifically to the Company:
 - i. The Medical Termination of Pregnancy Act, 1971.
 - ii. The Medical Termination of Pregnancy Rules, 1975.
 - iii. The Medical Termination of Pregnancy Regulations, 1975.
 - iv. The Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection Act, 1994).
 - v. The Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Rules, 1996.
 - vi. The Registration of Births and Deaths Act, 1969.
 - vii. The Tamilnadu Registration of Births and Deaths Rules, 2000.
 - viii. Blood Bank Rules under Drugs and Cosmetics (Second Amendment) Rules, 1999.
 - ix. The Transplantation of Human Organs and Tissues Act, 1994.
 - x. The Environment Protection Act, 1986 & Bio-Medical Waste (Management & Handling) Rules, 1998.
 - xi. The Pharmacy Act, 1948.

We have also examined the compliance with applicable clauses of the following:

- a. Listing Agreement entered into with Stock Exchanges.
- b. The compliance of Secretarial Standards does not arise as the same has not been notified under Section 118 of the Companies Act, 2013 for being applicable during the period covered under the Audit.

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable the provisions of Act / Regulations / Directions as mentioned above in respect of:



- a. Issue of securities both equity and / or debt.
- b. Employee stock options
- c. Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.
- d. Buy-back of securities.

We further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period covered under the Audit were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In the absence of any statutory requirement to send agenda or detailed notes on agenda seven days in advance, reporting on compliance of the same does not arise.

Majority decision is carried through and recorded as part of the minutes. We understand that there were no dissenting views for being captured in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above:

- a. Members have enabled Borrowing Powers of the Company up to a limit of ₹ 1,000 Crores, over and above the aggregate of the paid-up share capital and free reserves under Section 180(1)(c) of the Companies Act, 2013 at the 28th Annual General Meeting held on 3rd September, 2014.
- b. The Company has proposed to set up a super speciality hospital at Sholinganallur, Chennai.
- c. The Company had applied for voluntary delisting of its shares listed on the Madras Stock Exchange Limited (MSE) on 30th March, 2015 which was confirmed by MSE vide its letter dated 9th April, 2015 with effect from 10th April, 2015.

For KSR & Co Company Secretaries LLP

Coimbatore
29.05.2015

C.V.Madhusudhanan
Partner
(FCS: 5367; CP: 4408)



ANNEXURE – III

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso there to

1. Details of contracts or arrangements or transactions not at arm's length basis : NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of contracts or arrangement or transactions at arm's length basis : Yes

₹ in Lacs

Name(s) of the related party and nature of relationship (a)	Nature of contracts/ arrangements/ transactions (b)	Duration of the contracts/ arrangements/ transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any: (d)	Date(s) of approval by the Audit Committee, if any: (e)	Amount paid as advances, if any: (f)
Purani Hospital Supplies Ltd / Directors are interested	Purchase of Hospital Consumables, Medicines & Drugs, Rent etc..	01.04.2014 to 31.03.2015	1509.47	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
Aosta Software Technologies (India) Ltd / Directors are interested	Software development and Maintenance	01.04.2014 to 31.03.2015	45.06	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
Sakthi Sugars Limited / Directors are interested	Purchase of Spirit	01.04.2014 to 31.03.2015	1.16	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
ABT Industries Limited / Directors are interested	Purchase of Milk	01.04.2014 to 31.03.2015	33.52	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
Biomed Hitech Industries Ltd. / Directors are interested	Lease Rent	01.04.2014 to 31.03.2015	21.28	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
Idhayam Hospitals Erode Ltd. / Subsidiary Company	(a) Lease Rent	01.04.2014 to 31.03.2015	54.60	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
	(b) Interest on Lease Advance (receipt)		20.25		
NGP Estate Motors Agencies / Directors are interested	Purchase of fuel	01.04.2014 to 31.03.2015	38.48	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
Dr.Thavamani Devi Palaniswami / Promoter / JMD	Lease Rent	01.04.2014 to 31.03.2015	33.98	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
K.PHARMACY / Directors are interested	Lease Rent	01.04.2014 to 31.03.2015	2.45	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-
Dr.Arun N Palaniswami / MD's Son	Consultant	01.04.2014 to 31.03.2015	5.00	16.07.2014 29.10.2014 27.01.2015 27.05.2015	-

ANNEXURE – IV

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

Conservation of Energy

Your Company is conscious of the environmental impact of its business and proactively implements various efficiency measures in order that this impact is mitigated and minimized.

KMCH has taken many initiatives to reduce the energy cost and installed energy efficient equipments in all the departments. Initially the fluorescent lamps which consumes more power are replaced by LED lights in phased manner. These LED lamps consumes 50% less power with more illumination. Also the life of the LED lamps last for 50,000 burning hours. Movement sensors are fixed for controlling unnecessary usage of lights in rooms and corridors. Split Air conditioning units are being replaced by VRF system for more power savings.

Centralized air conditioning unit is controlled by BMS system for effective and efficient usage. All AHU's are controlled by the BMS to get better energy conservation and reduce operating hours.

For reducing the power cost KMCH is purchasing wind power from M/s. Mytrah Vayu (Manjira) Private Limited wind energy under group captive method at lesser price than TANGEDCO price.

Energy conservation methods like implementation of Building Management Systems (BMS), investment in Solar-water heaters/ power lights etc. are the other initiatives taken by your hospital. Taking measures like reassessing power consumption of various medical equipments, appliances and lighting facilities have helped us to reduce the carbon footprint.

The vehicles operated for the company are in compliance of all pollution control regulations. There is a periodic maintenance check of all vehicles in order that the prescribed norms and better vehicle efficiency are maintained.

Technology Absorption

Your Hospital is a pioneer in harnessing technology to improve patient care through enhancing quality and efficiency by continuously investing in life-changing and life-saving equipments used in clinical care and surgical procedure across many departments of the Hospital to enhance patient satisfaction that will match the best of the international standards. Access to the most advanced technology provides a myriad of benefits like decreased length of stay in Hospital, quick recovery and reduced number of procedures resulting in improved patient experience.

Your Hospital has added Cathlab Machine, Surgical Operating Microscope, Electro Physiology Recording System, Hemodialysis machine, Multiparameter monitor, ventilators, Dell Power edge R820 server PACS System, Quality Assurance Instrument Kit and other equipments to the tune of ₹ 1030.82 lacs



Foreign Exchange Earnings & Outgo

(i) Earnings in Foreign Currency:

Earnings in foreign currency during year ended March 31, 2015: Nil [Previous year: Nil]

(ii) Expenditure in Foreign Currency:

Expenditure in foreign currency during year ended March 31, 2015 was ₹ 264.84 Lacs [Previous year: ₹ 111.70 Lacs]

**ANNEXURE – V****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L85110TZ1985PLC001659
- ii) Registration Date : 29.08.1985
- iii) Name of the Company : KOVAI MEDICAL CENTER AND HOSPITAL LIMITED
- iv) Category / Sub-Category of the Company : Public Limited Company
- v) Address of the Registered office and contact details : Post Box No.3209, Avanashi Road,
Coimbatore - 641 014
Phone : +91-422-4323800, 3083800
E-mail : secretarialdept@kmchhospitals.com
accounts@kmchhospitals.com
Website : www.kmchhospitals.com
- vi) Whether listed company (Yes/No) : Yes
- vii) Name, Address and Contact details : GNSA INFOTECH LIMITED
Registrar and Transfer Agent , if any Nelson Chambers, F Block, 4th Floor,
No.115 Nelson Manickam Road,
Aminjikarai, Chennai – 600 029
Phone : +91-44-42962025
Email : sta@gnsindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Healthcare sector	9300	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Idhayam Hospitals Erode Limited	U85110TZ2001 PLC009631	Wholly owned	100%	2(87) of the Companies Act 2013

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

S. no.	Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals / HUF	2226361	2359076	4585437	41.90	1299974	31601	1331575	12.17	(29.73)
(b)	Central /State Govt.(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies corporate	28526	705473	733999	6.71	3300988	705473	4006461	36.61	29.90
(d)	FI / Banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(1)	2254887	3064549	5319436	48.61	4600962	737074	5338036	48.78	0.18
(2)	Foreign									
(a)	NRIs - Individuals	45193	90011	135204	1.24	45193	90011	135204	1.24	-
(b)	Bodies corporate	-	-	-	-	-	-	-	-	-
(c)	FI / Banks	-	-	-	-	-	-	-	-	-
(d)	QFI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2)	45193	90011	135204	1.24	45193	90011	135204	1.24	-
	Total shareholding of promoter and promoter group (A) = (A)(1) + (A)(2)	2300080	3154560	5454640	49.84	4646155	827085	5473240	50.02	0.18
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual funds / UTI	-	-	-	-	-	-	-	-	-
(b)	FI / Banks	-	-	-	-	-	-	-	-	-
(c)	Central/ State Govt. (s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FIs	-	-	-	-	35599	-	35599	0.33	0.33
(g)	Foreign venture capital Funds	-	-	-	-	-	-	-	-	-
(h)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	35599	-	35599	0.33	0.33
(2)	Non-institutions									
(a)	Bodies corporate									
	i. Indian	477538	538400	1015938	9.29	501604	538400	1040004	9.50	0.21
	ii. Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
	Individual shareholders holding nominal share capital up to Rs.1 lac	989392	1183869	2173261	19.87	1025477	1135307	2160784	19.75	(0.12)
	Individual shareholders holding nominal share capital in excess of Rs. 1 lac	481947	172804	654751	5.98	468419	129765	598184	5.47	(0.52)
(c)	Any other	-	-	-	-	-	-	-	-	-
	i. NRI	173735	1399567	1573302	14.38	213454	1350627	1564081	14.29	(0.08)
	ii. Directors & Relatives	-	70370	70370	0.64	-	70370	70370	0.64	-
	Sub-total (B)(2)	2122612	3365010	5487622	50.16	2208954	3224469	5433423	49.65	(0.51)
	Total Public Shareholding (B)= (B)(1)+ (B)(2)	2122612	3365010	5487622	50.16	2244553	3224469	5469022	49.98	(0.18)
(C)	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A)+(B)+(C)	4422692	6519570	10942262	100.00	6890708	4051554	10942262	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Dr.N.Palaniswami	51167	0.47	-	10000	0.09	-	(0.38)
2	Dr.Thavamani Devi Palaniswami	2060017	18.82	-	1094530	10.00	-	(8.82)
3	Dr.Balasundaram. S	86944	0.79	-	86944	0.79	-	-
4	Dr.K S K Murugaiyan	70000	0.64	-	70000	0.64	-	-
5	Dr.S K Sundaramoorthy	10000	0.09	-	30000	0.27	-	0.18
6	Dr. Arun N Palaniswami	779948	7.12	-	10000	0.09	-	(7.03)
7	Dr. Mohan S Palaniswami	849769	7.76	-	10000	0.09	-	(7.67)
8	Dr.Purani P Palaniswami	667491	6.10	-	10000	0.09	-	(6.01)
9	Mrs.Mallika Murugaiyan	10000	0.09	-	10000	0.09	-	-
10	Dr.K C Ramaswami	101	0.00	-	101	0.00	-	-
11	M/s.Kovai Purani Finance (P) Ltd	733999	6.71	-	4006461	36.61	-	29.90
12	Mrs.Vani Thirumoorthi	71485	0.65	-	71485	0.65	-	-
13	Dr.P R Perumalswami	45193	0.41	-	45193	0.41	-	-
14	Dr.Nanjappa C Sadasivan	12513	0.11	-	12513	0.11	-	-
15	Dr.M C Thirumoorthi	6013	0.06	-	6013	0.06	-	-
	Total	5454640	49.84	-	5473240	50.02	-	0.18

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr.N.Palaniswami	51167	0.47	51167	0.47
	25.08.2014 - Inter-se transfer	(41167)	(0.38)	10000	0.09
	At the end of the year(31.03.2015)			10000	0.09
2	Dr.Thavamani Devi Palaniswami	2060017	18.82	2060017	18.82
	30.04.2014 - Market Purchase	600	0.01	2060617	18.83
	14.08.2014 - Market sale	(2300)	(0.02)	2058317	18.81
	25.08.2014 - Inter-se transfer	(964087)	(8.81)	1094230	10.00
	25.11.2014 - Market Purchase	300	0.00	1094530	10.00
	At the end of the year(31.03.2015)			1094530	10.00
3	Dr.Balasundaram. S	86944	0.79	86944	0.79
	At the end of the year(31.03.2015)			86944	0.79
4	Dr.K.S.K.Murugaiyan	70000	0.64	70000	0.64
	At the end of the year(31.03.2015)			70000	0.64
5	Dr.S.K.Sundaramoorthy	10000	0.09	10000	0.09
	15.09.2014 - Transmission	20000	0.18	30000	0.27
	At the end of the year(31.03.2015)			30000	0.27
6	Dr.Arun N Palaniswami	779948	7.12	779948	7.12
	25.08.2014 - Inter-se transfer	(769948)	(7.03)	10000	0.09
	At the end of the year(31.03.2015)			10000	0.09
7	Dr.Mohan S Palaniswami	849769	7.76	849769	7.76
	25.08.2014 - Inter-se transfer	(839769)	(7.67)	10000	0.09
	At the end of the year(31.03.2015)			10000	0.09
8	Dr.Purani P Palaniswami	667491	6.10	667491	6.10
	25.08.2014 - Inter-se transfer	(657491)	(6.01)	10000	0.09
	At the end of the year(31.03.2015)			10000	0.09
9	Mrs.Mallika Murugaiyan	10000	0.09	10000	0.09
	At the end of the year(31.03.2015)			10000	0.09
10	Dr.K.C. Ramaswami	101	0.00	101	0.00
	At the end of the year(31.03.2015)			101	0.00
11	M/s.Kovai Purani Finance (P) Ltd	733999	6.71	733999	6.71
	25.08.2014 - Inter-se transfer	3272462	29.90	4006461	36.61
	At the end of the year(31.03.2015)			4006461	36.61
12	Mrs.Vani Thirumoorthi	71485	0.65	71485	0.65
	At the end of the year(31.03.2015)			71485	0.65
13	Dr.P.R.Perumalswami	45193	0.41	45193	0.41
	At the end of the year(31.03.2015)			45193	0.41
14	Dr.Nanjappa C Sadasivan	12513	0.11	12513	0.11
	At the end of the year(31.03.2015)			12513	0.11
15	Dr.M.C.Thirumoorthi	6013	0.06	6013	0.06
	At the end of the year(31.03.2015)			6013	0.06

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholders Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Pavai Property Developers (P) Ltd	524300	4.79	524300	4.79
	At the end of the year (31.03.2015)			524300	4.79
2	Sakthi Sugars Ltd	200000	1.83	200000	1.83
	At the end of the year (31.03.2015)			200000	1.83
3	Vibgyor Investors And Developers (P) Ltd	100000	0.91	100000	0.91
	At the end of the year (31.03.2015)			100000	0.91
4	Dharmapaian Viswanathan	67041	0.61	67041	0.61
	At the end of the year (31.03.2015)			67041	0.61
5	Jagada S Jagadeesan	62678	0.57	62678	0.57
	At the end of the year (31.03.2015)			62678	0.57
6	Mani C Mudaliar	62580	0.57	62580	0.57
	At the end of the year (31.03.2015)			62580	0.57
7	Usha Sudindranath	61331	0.56	61331	0.56
	At the end of the year (31.03.2015)			61331	0.56
8	Vynatheya Bidadi Sheshadri	40840	0.37	40840	0.37
	18.04.2014 - Market Purchase	450	0.01	41290	0.38
	09.05.2014 - Market Purchase	8712	0.08	50002	0.46
	01.08.2014 - Market Purchase	1384	0.01	51386	0.47
	08.08.2014 - Market Purchase	2830	0.03	54216	0.50
	15.08.2014 - Market Purchase	898	0.01	55114	0.51
	21.11.2014 - Market Purchase	4905	0.04	60019	0.55
	05.12.2014 - Market Purchase	2988	0.03	63007	0.58
	02.01.2015 - Market Purchase	999	0.01	64006	0.59
	31.03.2015 - Market Sale	(3987)	(0.04)	60019	0.55
	At the end of the year (31.03.2015)			60019	0.55
9	Ratnabali Capital Markets Limited	-	-	-	-
	05.09.2014 - Market Purchase	15637	0.14	15637	0.14
	12.09.2014 - Market Purchase	11000	0.10	26637	0.24
	19.09.2014 - Market Purchase	700	0.01	27337	0.25
	17.10.2014 - Market Sale	(15500)	(0.14)	11837	0.11
	24.10.2014 - Market Purchase	18163	0.16	30000	0.27
	31.10.2014 - Market Purchase	800	0.01	30800	0.28
	07.11.2014 - Market Purchase	7276	0.07	38076	0.35
	14.11.2014 - Market Purchase	4702	0.04	42778	0.39
	21.11.2014 - Market Purchase	4221	0.04	46999	0.43
	28.11.2014 - Market Purchase	1	0.00	47000	0.43
	19.12.2014 - Market Purchase	250	0.00	47250	0.43
	31.12.2014 - Market Sale	(15600)	(0.14)	31650	0.29
	09.01.2015 - Market Purchase	15467	0.14	47117	0.43
	23.01.2015 - Market Purchase	4967	0.05	52084	0.48
	30.01.2015 - Market Purchase	470	0.00	52554	0.48
	13.03.2015 - Market Purchase	230	0.00	52784	0.48
	20.03.2015 - Market Purchase	1596	0.02	54380	0.50
	27.03.2015 - Market Purchase	2620	0.02	57000	0.52
	At the end of the year (31.03.2015)			57000	0.52
10	Vedanayagam Hospital Limited	50000	0.46	50000	0.46
	At the end of the year (31.03.2015)			50000	0.46

(v) Shareholding of Directors and Key Managerial Personnel:

SI No	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr.N.Palaniswami	51167	0.47	51167	0.47
	25.08.2014 - Inter-se Transfer	(41167)	(0.38)	10000	0.09
	At the end of the year (31.03.2015)			10000	0.09
2	Dr.Thavamani Devi Palaniswami	2060017	18.82	2060017	18.82
	30.04.2014 - Market Purchase	600	0.01	2060617	18.83
	14.08.2014 - Market Sale	(2300)	(0.02)	2058317	18.81
	25.08.2014 - Inter-se Transfer	(964087)	(8.81)	1094230	10.00
	25.11.2014 - Market Purchase	300	0.00	1094530	10.00
	At the end of the year (31.03.2015)			1094530	10.00
3	Dr. Mohan S Palaniswami	849769	7.76	849769	7.76
	25.08.2014 - Inter-se Transfer	(839769)	(7.67)	10000	0.09
	At the end of the year (31.03.2015)			10000	0.09
4	Dr.M C Thirumoorthi	6013	0.06	6013	0.06
	At the end of the year (31.03.2015)			6013	0.06
5	Dr.P R Perumalswami	45193	0.41	45193	0.41
	At the end of the year (31.03.2015)			45193	0.41
6	Mr.A.K.Venkatasamy	2500	0.02	2500	0.02
	At the end of the year (31.03.2015)			2500	0.02
7	Mr.A.M.Palanisamy	4000	0.04	4000	0.04
	At the end of the year (31.03.2015)			4000	0.04
8	Mr.K Saminathan	8000	0.07	8000	0.07
	At the end of the year (31.03.2015)			8000	0.07
9	Dr.Purani P Palaniswami	667491	6.10	667491	6.10
	25.08.2014 - Inter-se Transfer	(657491)	(6.01)	10000	0.09
	At the end of the year (31.03.2015)			10000	0.09

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in Lacs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	17943.43	Nil	Nil	17943.43
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	17943.43	Nil	Nil	17943.43
Change in Indebtedness during the financial year				
• Addition	426.34	Nil	Nil	426.34
• Reduction	2585.47	Nil	Nil	2585.47
Net Change	2159.13	Nil	Nil	2159.13
Indebtedness at the end of the financial year				
i) Principal Amount	15784.30	Nil	Nil	15784.30
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	15784.30	Nil	Nil	15784.30

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and /or Manager :
₹ in Lacs

Sl. No.	Particulars of Remuneration	Dr.Nalla G Palaniswami	Dr.Thavamani Devi Palaniswami	Dr. Mohan S Gounder	Total Amount
1	1. Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	40.20	19.81	76.21	136.22
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	9.32	5.18	—	14.50
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	—	—	—	—
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission - as 2 % of profit - others	125.94	125.95	—	251.89
		—	—	—	—
5.	Others	—	—	—	—
	Total (A)	175.46	150.94	76.21	402.61
	Ceiling as per the Act				634.54

B. Remuneration to other Directors :
₹ in Lacs

Sl. No.	Particulars of Remuneration	Name of the Director	Total Amount
1.	Independent Directors		
	• Fee for attending board/ committee meetings	Mr.Kasi K Goundan	0.08
		Dr.M.Manickam	0.10
		CA.A.M.Palanisamy	0.10
		Mr.A.K.Venkatasamy	0.10
		Dr.M.A.Muthusethupathi	0.05
		Mr.K.Saminathan	0.12
	• Commission		Nil
	• Others		Nil
	Total (1)		0.55
2.	Other Non-Executive Directors		
	• Fee for attending board/ committee meetings	Dr.P.R.Perumalswami	0.05
		Dr.M.C.Thirumoorthi	0.03
		Dr.Purani P Palaniswami	0.05
		Dr.S. Krishnasamy (Alternate to Dr.P.R.Perumalswami)	0.07
	• Commission		Nil
	• Others		Nil
	Total (2)		0.20
	Total (B) = (1+2)		0.75
	Total Managerial Remuneration (A+B)		403.36
	Overall Ceiling as per the Act		634.54

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

₹ in Lacs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary	Total Amount
1	1. Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	43.40	7.53	50.93
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	0.32	—	0.32
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission - as 2 % of profit - others	— —	— —	— —
5.	Others	—	—	—
	Total	43.72	7.53	51.25

VII.PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (given details)
A.Company					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B.Directors					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C.Other officers in Default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

ANNEXURE – VI

Particulars of Remuneration of Directors and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014.

- i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

S.No.	Name of the Director	Ratio
1	Dr.Nalla G Palaniswami	0.39 : 1
2	Dr.Thavamani Devi Palaniswami	0.33 : 1
3	Dr.Mohan S Gounder	0.17 : 1
4	Mr.Kasi K Goundan	Nil
5	Dr.M.Manickam	Nil
6	Dr.K.S.K.Murugaiyan (upto 03.09.2014)	Nil
7	CA.A.M.Palanisamy	Nil
8	Dr.P.R.Perumalswami	Nil
9	Dr.M.C.Thirumoorthi	Nil
10	Mr.A.K.Venkatasamy	Nil
11	Mr.K.Saminathan	Nil
12	Dr.M.A.Muthusethupathi	Nil
13	Dr.Purani P Palaniswami (From 03.09.2014)	Nil
14	Dr.S.Krishnasamy	Nil

During the year, the non-executive directors received only the sitting fees as remuneration.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

S.No.	Name of the Director/ CFO/CS	% Increase / (Decrease) in remuneration
1	Dr.Nalla G Palaniswami	65%
2	Dr.Thavamani Devi Palaniswami	44%
3	Dr.Mohan S Gounder	6%
4	Mr.Kasi K Goundan	Nil
5	Dr.M.Manickam	Nil
6	Dr.K.S.K.Murugaiyan (upto 03.09.2014)	Nil
7	CA.A.M.Palanisamy	Nil
8	Dr.P.R.Perumalswami	Nil
9	Dr.M.C.Thirumoorthi	Nil
10	Mr.A.K.Venkatasamy	Nil
11	Mr.K.Saminathan	Nil
12	Dr.M.A.Muthusethupathi	Nil
13	Dr.Purani P Palaniswami (From 03.09.2014)	Nil
14	Dr.S.Krishnasamy	Nil
15	CA.P.K.Gopikrishnan	36%
16	CS.S.P.Chittibabu	9%

- (iii) The percentage increase in the median remuneration of employees in the financial year: 14%
- (iv) The number of permanent employees on the rolls of company: 3387
- (v) The explanation on the relationship between average increase in remuneration and company performance:

There is no direct relationship between the average increase in remuneration and company performance. Increments are linked to the cost of living index and market compensation.

- vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

₹ in Lacs

KMP's remuneration 2014-15	% Increase / (Decrease) in KMP's remuneration (2014-15 against 2013-14)	Revenue 2014-15	% Increase in revenue (2014-15 against 2013-14)
403	42%	40835	21%

- (vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.

Particulars	As on 31.03.2014	As on 31.03.2015	Variations	%
Market Capitalisation (₹ in Lacs)	16,418	67,321	50,903	310%
Price earnings ratio	6.92	17.39	10.47	151%
Market quotation of the shares as on 31.03.2015 (BSE)	₹ 615/- per share of Face value of ₹ 10/- per share.			
Market quotations of the shares when the Company came out with the last public offer	The Company came out with a Right Issue in the year 1994 at a price of ₹ 10/- per share.			
Percentage increase / decrease over in the market quotations of the Company	6050%			

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase granted to employees other than managerial personnel is 14%.

The percentile increase granted to managerial personnel is 42%.

- (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company

KMP's Name	CTC for 2014-15	% Increase / (Decrease) in CTC (2014-15 against 2013-14)	₹ in Lacs	
			Revenue for 2014-15	% Increase in revenue (2014-15 against 2013-14)
Dr.Nalla G Palaniswami	175.46	65%	40834.80	21%
Dr.Thavamani Devi Palaniswami	150.94	44%		
Dr.Mohan S Gounder	76.21	6%		
CA.P.K.Gopikrishnan	43.72	36%		
CS.S.P.Chittibabu	7.53	9%		

- (x) The key parameters for any variable component of remuneration availed by the directors:

The Directors are not eligible for any variable compensation other than Commission as per the provision of the Act.

- (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Nil
- (xii) We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.

(xiii) Statement of employees receiving remuneration not less than five lacs rupees per month.

Name	Dr.Nalla G Palaniswami	Dr.Thavamani Devi Palaniswami	Dr.Mohan S Gounder
Designation of the employee	Managing Director	Joint Managing Director	Joint Managing Director
Remuneration (₹ in Lacs)			
Gross	175.46	150.94	76.21
Net	107.34	96.02	52.61
Qualification	MBBS, MD AB (USA)	MBBS, MD AB (USA)	MBBS, MD AB (USA)
Date of Commencement of Employment	01.10.1989	29.07.2000	19.07.2013
Last Employment	Hypertension, Obesity & Risk Factor Clinic, Wayne State University, Detroit, USA	Consultant in Paediatrics & Adolescence , City Clinic, Detroit, USA	Medical Director and Hospitalist, TeamHealth, UMC Lebanon, Tennessee, USA

Note:

1. Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami and Dr.Mohan S Gounder are related to each other. Dr.Thavamani Devi Palaniswami is the wife of Dr.Nalla G Palaniswami and Dr.Mohan S Gounder is the elder son of Dr.Nalla G Palaniswami.
2. Dr.Thavamani Devi Palaniswami owns more than 2% of the equity shares of the Company as on 31st March, 2015.
3. Gross remuneration comprises salary, commission, allowances, monetary value of perquisites and the Company's contribution to provident fund, gratuity fund and other benefits.
4. Net remuneration is exclusive of contribution to provident fund, gratuity fund, other benefits and tax deduction.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

India has made significant strides in economic development since independence, successfully making a mark on the global economic arena. The economy's unprecedented growth, especially in the second half of the past decade, along with strong economic fundamentals, enthrusts optimism among economists and businesses the world over about its growth prospects.

Liberalisation, growing economies of scale of Indian enterprises, increased access to advanced technologies and growth in entrepreneurship have led to the economy emerging as a much sought-after destination for foreign investments.

SECTOR OVERVIEW

Health care has become one of India's largest sectors – both in terms of revenue and employment. The Indian healthcare industry is estimated to reach USD 280 billion by 2020. Large investments by private sector players are likely to contribute significantly to the development of India's hospital industry, which comprises around 80% of the total market, according to the report 'Indian Hospital Services Market Outlook' by consultancy RNCOS. As per estimates by ratings agency Fitch, the sector is poised to grow to USD 100 billion by the year 2015 and further to USD 275.6 billion by 2020.

The outlook for Indian healthcare industry looks positive owing to high growth rate in almost all its segments, whether its primary healthcare, secondary or tertiary healthcare, medical equipment, diagnostics, health insurance or medical tourism. The ever growing population, increasing government expenditure on health and growing per capita income will increase the size of this industry in the years to come. Per capita income is expected to increase at a CAGR of 5.7 per cent over 2012-18.

According to report from “Indian Hospital Services Market Outlook” the country needs to cover the cumulative deficit of around 3 Million hospital beds to match up with the global average of 3 beds per 1000 population.

Huge private sector investments will significantly contribute to the development of hospital industry, comprising around 80% of the total market.

While India has moved into the trillion dollar economy league, there are undoubtedly many challenges that continue to confront the economy. Foremost amongst them being that the benefits of economic growth has not been equitably shared. Economic and social inequalities have increased alongside high growth. A vast majority of the population continue to remain outside the ambit of basic health and education facilities. The poor state of the physical infrastructure, both in terms of quantity and quality remains another critical hindrance for India's progress.

Risk Factors of the Hospital Industry

1. Long gestation periods

Hospitals require significant up front investments and have a long payback period. This makes investments in the sector less attractive.

2. Lack of qualified staff

Finding qualified staff & specialized doctors is a major challenge for hospitals in India, especially for new startups, leading to wage inflation and inadequate quality.

3. Rising real estate prices

Increasing real estate prices lead to higher initial outlay or higher lease payments, resulting in decreased profitability.

4. Lack of capital

Huge capital will be required to meet the growing demand of healthcare facilities and only a few big business houses can afford such expenditures and have the patience to reap the steady returns over a long period of time.

5. Increasing operating cost

Increasing cost of equipment and labour lead to margin pressure and lower profitability and it is also difficult to keep higher pricing for patient care.

Challenges in the Industry

1. Many hospitals and healthcare providers are struggling with outdated information technology in India today.
2. A major challenge for our nation and the healthcare industry would be not only to retain the healthcare workforce but also to develop an environment, which would attract those abroad to return (reverse brain drain).
3. The growing demand for quality healthcare and the absence of matching delivery mechanism pose a great challenge.
4. There is an acute shortage of faculty of medical teachers all over the country. One of the pivotal factors to sustain the projected growth of the healthcare industry in India would be the availability of a trained workforce, besides cheaper technology, better infrastructure etc.
5. Another challenge will be to find good talent in India to provide the ancillary healthcare services, especially the voice based ones which require not only good English communication skills but also very good analytical skills.

SECTOR OUTLOOK/TRENDS

The total industry size is expected to touch USD160 billion by 2017 and USD 280 billion by 2020. Due to the growing demand of the healthcare services both in Indian population and by the population abroad, this sector is expected to create 40 million jobs by the year 2020. The fast growing telemedicine is expected to reach USD 18.7 million by 2017. Healthcare sector's spending on IT products and services are expected to rise from USD 53 billion in 2012 to USD 57 billion in 2013. It will enable the hospitals to focus on patient centric quality service with reduction in human error and cost. This will enhance the patient experience in the healthcare delivery system.

Indian healthcare is experiencing a new wave of opportunity. Providers are reinventing existing delivery models to bring healthcare closer to the patient. The outlook for Indian healthcare industry looks positive owing to high growth rate in almost all its segments.

The main areas where a number of market opportunities exist for both domestic and foreign players in the Indian healthcare domain include medical tourism, healthcare insurance, telemedicine and medical equipment.

The main drivers of growth in the healthcare sector are India's booming population; growing middle class; increasing purchasing power; growth in infectious, chronic degenerative and lifestyle diseases; and rising awareness of personal healthcare.

India currently faces a chronic shortage of healthcare infrastructure, especially in rural areas and Tier II and Tier III cities, and it is expected that India will have potential requirement of 1.75 million new beds by the end of 2025.

OPPORTUNITIES

Drivers of growth

Increasing Health awareness

With the rise in literacy levels across the country, greater percentage of population understands the need for preventive and corrective health care facility. It is likely to increase the demand for health care delivery services.

Rising income levels

Steady increase of disposable income is expected to create higher demand for quality health care though health care is largely considered a non-discretionary expense.

Change in disease profile

Factors like changing demographics, rising disposable income and change in dietary patterns lead to increased incidence of life style related diseases. All these will result in increased demand for quality health care services.

Health Insurance coverage

Presently 95 percent of India's private health care expenditure is in the form of out-of-pocket expenditure as health insurance coverage is under 5 percent. This gives opportunity for cheaper penetration of health insurance which is likely to become more affordable for a larger percentage of the population.

Medical Tourism

Medical tourism has gained momentum over the years and India is fast emerging as a major medical tourist destination. As governments across the globe and patients worldwide struggle with soaring health care costs, the relatively low cost of surgery and critical care in India is drawing the attention of global healthcare providers.

Challenges

There are many challenges in running this industry. Sourcing qualified medical professionals whether it is doctors, nurses, paramedical or administrative professionals, is a difficult task. The semi and rural population gets services from unqualified practitioners, due to this shortage. This industry needs 1.54 million doctors and 2.4 million nurses additionally to match the global average. While the WHO average 2.5 doctors and nurses per 1000 population, India is having only 0.7 doctors and 1.5 nurses per 1000 population. This sector is capital intensive but with longer payback period for the new investments.

Government Initiatives

The government of India has taken many initiatives to improve the healthcare delivery system so that it is universally accessible, affordable which can reduce the out of pocket expenditures.

To support the medical tourism, the visa formalities have been simplified to enable hospitals to attract more and more abroad patients.

The FDI limit in medical insurance has been raised by the government to 49 percent.

The government has taken initiatives to establish 15 model rural health research centers. 4 new medical infrastructure equivalents to AIIMS have been planned.

India and Sweden entered into MOU which will help in improving research and bringing innovative technology to aid provisioning of quality healthcare.

On the National Deworming day, the Government has initiated a program to protect more than 24 crore children in the age group of 1-19 years from intestinal worms.

Under the National Health Assurance Mission, the government is planning to provide free drugs and diagnostic treatment along with insurance cover for serious ailments to all citizens.

THREATS

Cost

Cost is the universally faced challenge across the globe. Most of the countries are facing challenges to manage the rapidly increasing cost of health care. Due to the low spending by governments on healthcare, the patients and their families are burdened. The out of pocket expenses is unmanageable by patients and their families. The out of pocket spending is the highest in India when compared to the other global countries. While India it is 69 percent, in Thailand it is 25 percent, in China it is 44 percent and in Sri Lanka it is 55 percent. When there is a low spending, keeping the technology up to date at a reduced cost to patients is going to be a real challenge to the service providers. Across the globe, the sustainability of public health care funding is in trouble, due to Political uncertainty, persistent economic stress, and austerity measures.

Adapting Market forces

In the global healthcare there is a trend of re-looking into the traditional business models to the customer focused models to face the challenges and opportunities. Increasing the government role, scaling volume by horizontal and vertical integration, improving talents to meet the shortage, increasing access to care (such as home services, walk in clinics, virtual access) and concentrating on consumerism are some of the transformational strategies adopted.

Transformation & Digital Innovation

Health information technology like electronic health records, mhealth and predictive analytics are adopted globally to deliver faster and accurate services. The innovative digital method enables the service providers with newer diagnostic and treatment options, process efficiency and cost reduction. The challenge here is safe guarding the information security and privacy.

Regulation & Compliance

The regulatory system in the global health scenario is very much complex and evolving. The patient health, safety and privacy are primary concern by the authorities in various countries. The increasing flow of data and sharing sensitive information through electronic media raises the risk factor of hacking and viruses problem. The regulations need to be simplified to enable the service provider to concentrate on the quality service.

Stiff competition

The performance of health care industry has been very encouraging and as a result of the significant growth and opportunities in the industry, many new players are entering into hospital sector. This is causing increased competition for business, man power, market share etc.

Obsolescence of medical equipments

Rapid technological change in the medical equipments is a common factor in health care industry. The product innovation and evolving technologies push the health care industry to frequently upgrade its equipments.

Increasing inflation

The inflation in India is continuously on the increase. This could cause spurt in the cost of transportation, wages, raw materials and equipments cost.

EXPANSION PLAN

During the year 2014-15 your hospital has added 74 patient rooms at Main Center. Your hospital will be adding 60 beds for Emergency & Intensive care services at Main Center. In addition, it has also undertaken modernization/renovation work at City Center and proposed to set up new branch at Sular during the year 2015-16.

The proposed hospital at Chennai is likely to be started during the end of 2015-16 or beginning of 2016-17. We have already initiated the approval procedures and will start the construction immediately after obtaining the necessary approval. The proposed projects will be funded by existing funds, internal accruals, incremental debt and equity.

RISK MANAGEMENT

Your hospital has a comprehensive risk management in place to cover various aspects of the business like Operation, Treasury, Legal, Statutory and financial reporting. It is a part of our business process exercise.

Growth is always associated with risk and it is natural that your hospital is exposed to increasing degree of risk consequent to its continuous growth. These risks can have adverse impact on the managerial performance including both operational and financial, cash flows and overall performance of the Company.

Risk factors like increase in cost of raw materials, wages, shortage of skilled manpower, high attrition rate of employees, changes in statutory laws, inflation etc. have an impact on the functioning of the Company.

Risk factors are continuously monitored and reviewed at all levels. Risk Mitigation activity plan are in place and executed as and when required.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established internal control systems to ensure optimum use in protecting its resources and ensuring adherence to its policies, procedures and statutes.

There is proper and adequate system of internal control for the company and its subsidiary. The Company has also employed an independent firm of Chartered Accountants to review the adequacy of internal control system, procedures and policies. The internal auditors evaluate the adequacy of the internal control systems by testing the control mechanism and give their recommendations to the management.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the health care sector's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

**REPORT ON CORPORATE GOVERNANCE**

(Annexure to the Twenty Ninth Directors' Report 2014-15)

INTRODUCTION

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreement with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprise are built to last. The Company is committed to exercise the overall responsibilities. The company has a strong legacy of fair, transparent and ethical governance practice. The company is committed to learn and adopt the best practice of corporate governance.

2. BOARD OF DIRECTORS**(a) Composition of Board Directors**

As on 31st March 2015, the strength of the Board is twelve Directors of which three are Executive Directors and an Alternate Director. As per Clause 49 of the listing agreement, if the Chairman is an Executive, atleast half of the Board should comprise of independent directors. There are six Independent Directors in our Board.

None of the Directors on the Board hold office of Director in more than ten Public Limited Companies or membership of the committees of the Board in more than ten committees and Chairmanship of more than five committees, across all companies.

No.	Name of the Director	Category of Directors	Directorship in other Public Ltd. Companies	Membership and/or Chair person of Committees in other Public Ltd. Companies
1.	Dr.Nalla G Palaniswami	Promoter & Executive	2	---
2.	Dr.Thavamani Devi Palaniswami	Promoter & Executive	4	---
3.	Dr.Mohan S Gounder	Non-Independent & Executive	3	---
4.	Mr.Kasi K Goundan	Independent & Non-Executive	---	---
5.	Dr.M.Manickam	Independent & Non-Executive	9	3
6.	Dr.K.S.K.Murugaiyan (Upto 03.09.2014)	Non-independent & Non-Executive	---	---
7.	CA.A.M.Palanisamy	Independent & Non-Executive	1	---
8.	Dr.P.R.Perumalswami	Non-Independent & Non-Executive	---	---
9.	Dr.M.C.Thirumoorthi	Promoter, Non-Independent & Non-Executive	1	---
10.	Mr.A.K.Venkatasamy	Independent & Non-Executive	3	---
11.	Mr.K.Saminathan	Independent & Non-Executive	---	---
12.	Dr.M.A.Muthusethupathi	Independent & Non-Executive	---	---
13.	Dr.Purani P Palaniswami (From 03.09.2014)	Non-Independent & Non-Executive	3	---
14.	Dr.S.Krishnasamy (Alternate to Dr.P.R.Perumalswami)	Independent & Non-Executive	1	---

All independent directors possess the requisite qualifications and are very experienced in their own fields. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

(b) Attendance of Directors at the Board Meetings and Annual General Meeting

The Board met four times during the financial year 2014-15. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days. The relevant details are as under:

No.	Name of the Director	No. of Board Meetings held during the tenure	No. of Board Meetings attended during the tenure	Attendance at the Last AGM (Yes / No)
1.	Dr.Nalla G Palaniswami	4	4	Yes
2.	Dr.Thavamani Devi Palaniswami	4	4	Yes
3.	Dr.Mohan S Gounder	4	2	Yes
4.	Mr.Kasi K Goundan	4	2	No
5.	Dr.M.Manickam	4	3	Yes
6.	Dr.K.S.K.Murugaiyan (Upto 03.09.2014)	2	---	No
7.	CA.A.M.Palanisamy	4	3	Yes
8.	Dr.P.R.Perumalswami	4	2	No
9.	Dr.M.C.Thirumoorthi	4	1	No
10.	Mr.A.K.Venkatasamy	4	3	Yes
11.	Mr.K.Saminathan	4	4	Yes
12.	Dr.M.A.Muthusethupathi	4	2	Yes
13.	Dr.Purani P Palaniswami (From 03.09.2014)	2	1	No
14.	Dr.S.Krishnasamy (Alternate to Dr.P.R.Perumalswami)	2	2	No

The Company places before the Board all those details as required under Annexure X to the listing agreement. The dates for the board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the Directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The Managing Director appraise the Board on the overall performance of the Company at every board meeting. Legal issues, write offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board.

The Board reviews performance, approves capital expenditures, sets the strategy the Company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

The Board also takes on record the declaration made by the Company Secretary, Managing Director and the Chief Financial Officer regarding compliances of all laws on a quarterly basis.

3. COMPOSITION OF BOARD COMMITTEES

For effective and efficient functioning of the Company, the Board has formed the following Committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders Relationship Committee
- d. CSR Committee

(a) Audit Committee

The terms of reference of this committee covers matters specified under clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 and other matters referred by the Board from time to time. Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

The Board of Directors of the Company has formed a sub-committee of the Board as Audit Committee consisting of three Non-Executive Directors viz. CA.A.M.Palanisamy, Mr.A.K.Venkatasamy and Mr.K.Saminathan. All the above Directors are Independent Directors.

S.No.	Name of the Member	Status	No. of meetings held	No. of meetings attended
1.	CA.A.M.Palanisamy	Chairman	4	4
2.	Mr.A.K.Venkatasamy	Member	4	4
3.	Mr.K.Saminathan	Member	4	4
	Name of the Invitees			
1.	Mr.C.S.Sathyanyanan	Statutory Auditor	4	4
2.	CA.P.K.Gopikrishnan	Chief Financial Officer	4	4
3.	CS.S.P.Chittibabu	Company Secretary	4	4

(b) Nomination and Remuneration Committee

The Board of Directors of the Company have formed a Sub-Committee of the Board known as Nomination and Remuneration Committee consisting of three Non-Executive Directors viz. CA.A.M.Palanisamy, Mr.A.K.Venkatasamy and Mr.K.Saminathan. CA.A.M.Palanisamy, an Independent Director is the Chairman of the Committee.

The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of directors at its meeting held on 23.05.2014.

The Objectives of the Policy are:

1. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management Personnel one level below the Board of the quality required to run the Company successfully.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to directors, KMP and Senior Management Personnel (one level below the Board) of the company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become directors (Executive and Non-executive) and persons who may be appointed in Senior Management (one level below the Board), key managerial positions and to determine their remuneration.
5. To determine remuneration based on the company's size and financial position and trends and practices on remuneration prevailing in peer companies in the industry.
6. To carry out evaluation of the performance of directors, as well as Key Managerial and Senior Management Personnel (one level below the Board) and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
8. To lay down criteria for appointment and removal of Directors, KMP and Senior Management Personnel (one level below the Board) and evaluation of their performance.

The remuneration for Managing Director for the Financial Year ended 31.03.2015 is paid on the basis of the approval accorded by the shareholders in the 28th Annual General Meeting held on September 3, 2014 and in accordance with and subject to the limits laid down in Schedule V to the Companies Act, 2013.

The remuneration for Joint Managing Directors for the Financial Year ended 31.03.2015 is paid on the basis of the approval accorded by the Shareholders in the 24th Annual General Meeting held on August 12, 2010 and 27th Annual General Meeting held on 19th July 2013 and in accordance with the provisions of the Companies Act, 2013.

The Committee also recommends the remuneration and changes therein of Managing Director and Joint Managing Directors within the limits approved by the Shareholders.

Details of remuneration paid / payable to Managing Director and Joint Managing Directors for the year ended 31st March 2015 are as follows:

₹ in Lacs

Name of the Director	Total Remuneration	Fixed Component	Variable Components
Dr.Nalla G Palaniswami Managing Director	175.46	40.20	135.26
Dr.Thavamani Devi Palaniswami Joint Managing Director	150.94	19.81	131.13
Dr.Mohan S Gounder Joint Managing Director	76.21	76.21	-

Non-executive Directors were paid Sitting Fees for attending Board Meetings.

(I) Brief description of terms of reference is for :

- (A) Appointment of the Directors, and Key Managerial Personnel of the Company; and
- (B) Fixation of the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

(II) Composition of committee and attendance of members

S. No.	Name of the Member and position	Attendance
1.	CA.A.M.Palanisamy, Chairman	Present
2.	Mr.A.K.Venkatasamy, Member	Present
3.	Mr.K.Saminathan, Member	Present

This committee recommends the appointment/reappointment of Executive Directors and the appointment of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Company Secretary is the Secretary of the Committee. During the financial year 2014-15 the committee met on 11.07.2014.

The Nomination and Remuneration policy of the Company has been disclosed on the website of the Company and the web link thereon is <http://www.kmchhospitals.com/pdf/Nomination.Remuneration.Evaluation.Policy.pdf>.

(c) Stakeholders' Relationship Committee:

Terms of Reference

Composition

The Board of Kovai Medical Center and Hospital Limited constituted a Stakeholders Relationship Committee to facilitate prompt and effective redressal of shareholders' complaints and reporting of the same to the Board periodically. This Committee meets approximately every fortnight to consider the request for transfer of shares and investors' grievance received on regular basis.

S. No.	Name of the Director and Position	Attendance
1.	Dr.Nalla G Palaniswami, Member	Present
2.	CA.A.M.Palanisamy, Chairman	Present
3.	Mr.K.Saminathan, Member	Present
4.	Mr.A.K.Venkatasamy, Member	Present
	Name of the Invitee	
1.	CS.S.P.Chittibabu, Company Secretary	Present

CA.A.M.Palanisamy, Non-Executive Director was the Chairman of the committee. Dr.Nalla G Palaniswami, Mr.A.K.Venkatasamy and Mr.K.Saminathan are the members of the committee.

The committee decided that a share transfer committee be constituted as members to approve share transfer, transmissions, issue of duplicate share certificates, rematerialisation of shares etc.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non-receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met 12 times during the year 2014-15. The committee approved the transfer of 53,458 shares in physical form.

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. CS.S.P.Chittibabu, Company Secretary is the compliance officer of the Company. For any clarification / complaint the shareholders may contact CS.S.P.Chittibabu, Company Secretary at the registered office of the company

During the financial year ended 31.03.2015, 12 meetings of Stakeholders Relationship Committee were held and the company has received fourteen complaints (upto March 2015) from the shareholders. All the complaints were redressed to the satisfaction of the shareholders.

(d) Corporate Social Responsibility (CSR) Committee

The CSR Committee of the Board consists of the following Directors. Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami, Mr.A.K.Venkatasamy and Mr.K.Saminathan.

During the year the Committee met three times and a detailed CSR spending report is appended as "Annexure I" forming part of the Directors' Report.

4. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 29.01.2015 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

5. REMUNERATION PAID TO DIRECTORS

Out of the total twelve Directors, three are Executive Directors. The Remuneration payable to these Directors is determined by the Board on the recommendation of the Nomination and Remuneration Committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the Board and the Committees.

a. Details of Remuneration paid to Executive Directors during the financial year 2014-15

₹ in Lacs

Particulars	Dr.Nalla G Palaniswami	Dr.Thavamani Devi Palaniswami	Dr.Mohan S Gounder
Basic Salary	40.20	19.81	76.21
Bonus / Benefits	-	-	-
House Rent Allowance	-	-	-
Others Allowances	-	-	-
Commission	125.94	125.95	-
Other Perquisites / Performance linked Incentive	9.32	5.18	-
Contribution to Provident Fund / Pension	-	-	-
Contribution to Superannuation Fund	-	-	-
Stock Option	-	-	-
Service contracts / Notice Period / Severance fees	-	-	-

b. Details of Sitting Fees paid to Non-Executive Directors during the financial year 2014-15

In ₹

Name of the Director	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting	Total
Mr.Kasi K Goundan	7500	-	-	-	7500
Dr.M.Manickam	10000	-	-	-	10000
Dr.K.S.K.Murugaiyan (Upto 03.09.2014)	-	-	-	-	-
CA.A.M.Palanisamy	10000	-	-	-	10000
Dr.P.R.Perumalswami	5000	-	-	-	5000
Dr.M.C.Thirumoorthi	2500	-	-	-	2500
Mr.A.K.Venkatasamy	10000	-	-	-	10000
Mr.K.Saminathan	12500	-	-	-	12500
Dr.M.A.Muthusethupathi	5000	-	-	-	5000
Dr.Purani P Palaniswami (From 03.09.2014)	5000	-	-	-	5000
Dr.S.Krishnasamy (Alernate to Dr.P.R.Perumalswami)	7500	-	-	-	7500

There were no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the financial year ended 31st March, 2015.

c. Details of shareholding of Directors as on 31st March 2015

As on 31st March 2015, the Company had three Executive Directors and nine Non-Executive Directors. Out of the three Executive Directors, Dr.Nalla G Palaniswami, Dr.Thavamani Devi Palaniswami and Dr.Mohan S Gounder holds 11,14,530 equity shares in the Company. Among the Non-Executive Directors CA.A.M.Palanisamy, Dr.P.R.Perumalswami, Dr.M.C.Thirumoorthi, Mr.A.K.Venkatasamy, Mr.K.Saminathan and Dr.Purani P Palaniswami holds 75,706 equity shares in the Company. The other Non-Executive Directors do not hold any shares in the Company.

6. ANNUAL GENERAL MEETINGS AND EXTRA-ORDINARY GENERAL MEETING

During the period, one General Meeting was held as per the details hereunder:

Particulars	28th AGM 2014
Date of Meeting	03.09.2014
No. of Members Attended	199
No. of Proxies Attended	1
Chairman of the Meeting	Dr.Nalla G Palaniswami
Chief Financial Officer	CA.P.K.Gopikrishnan
Company Secretary	CS.S.P.Chittibabu

7. SUBSIDIARY COMPANIES

The financials of the subsidiary companies viz., M/s Idhayam Hospitals Erode Limited have been duly reviewed by the Audit Committee and the Board of the holding company. The Board minutes of the unlisted subsidiary companies have been placed before the Board of the holding Company.

The holding Company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary companies. The Company has also formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website of the Company (www.kmchhospitals.com/Investor Relations/Others/Policies/Policy on subsidiaries).

8. DISCLOSURES

(a) Related Party Transaction :

There have been no materially significant related party transactions with the Company's Promoters, Directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.

Details of related party transactions are disclosed in **Note No.35** forming part of the Accounts, as required under Accounting Standard 18 of The Institute of Chartered Accountants of India.

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT and the Related Party Transactions are disseminated in the website of the Company.

(b) Compliance by the Company

The Company has fairly complied with the requirements of the Stock Exchanges and SEBI.

During the last three years, no penalties or strictures have been imposed on the Company, by the Stock Exchanges or SEBI on any matter. The Board reviews periodically, the compliance report of all laws applicable to the Company.

(c) Accounting Treatment

The Accounting Standards issued by the Institute of Chartered Accountants of India is followed by the Company and the Company has not adopted, a treatment different from that prescribed by any Accounting Standard in preparation of financial statements.

(d) Insider Trading Policy

The code of conduct for prevention of Insider Trading, as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 1992 has been introduced with effect from 25.11.2002. The Company Secretary has been designated as the Compliance Officer for this purpose. The Board monitors the adherence to the various requirements as set out in the code. No violation of the code has taken place during the year.

(e) CEO / CFO Certification

As required by Clause 49 (IX) of the Listing Agreement, the CEO and CFO certification on Financial Statements, Cash flow Statement and Internal Control Systems for financial reporting for the year ended March 31, 2015, has been obtained from CEO and CFO and it has been incorporated in the Company's Annual Report.

(f) Code of Conduct

The Company's Board has laid down code of conduct for the employees at all level including Senior Management and Directors of the Company. A declaration signed by the Managing Director to this effect is enclosed at the end of the Report.

(g) Code for prevention of insider trading

The company has framed a code of conduct for prevention of insider trading based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all directors / officers / Designed employees. The code ensure the prevention of dealing in shares by persons having a access to unpublished price sensitive information.

(h) Compliance with Corporate Governance Norms

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges.

(i) Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India, is presented in a separate section forming part of the Annual Report.

(j) Unpaid / Unclaimed Dividend

In terms of Section 124(6) and other applicable provisions of Companies Act, 2013, any money transferred to unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer, will be transferred to Investor Education and Protection Fund set up by the Govt. of India. No claim shall lie in respect thereof.

During the year, the company has transferred a sum of ₹ 4.42 lacs pertaining to the year 2006-07 as unclaimed dividend to the Investor Education and Protection Fund pursuant to Section 124 of the Companies Act, 2013.

S.No.	Financial year	Date of Declaration of Dividend	Due date for transfer to Investor Education and Protection Fund of Govt. of India
1.	2007-08	August 29, 2008	September 27, 2015
2.	2008-09	July 31, 2009	August 29, 2016
3.	2009-10	August 12, 2010	September 10, 2017
4.	2010-11	August 23, 2011	September 21, 2018
5.	2011-12	July 13, 2012	August 11, 2019
6.	2012-13	July 19, 2013	August 17, 2020
7.	2013-14	September 3, 2014	October 1, 2021

(k) Equity Shares in Suspense Account

In compliance with Clause 5A of the Listing Agreement with Stock Exchanges, the Company reports the following details of shares lying in Suspense Account.

- a. Aggregate Number of Shareholders and the outstanding lying in the Unclaimed Suspense Account at the beginning of the year : 45 Shareholders - 6,300 Shares
- b. Number of shareholders who approached issuer for transfer of shares from suspense account during the year : 6
- c. Number of shareholders to whom shares were transferred from suspense account during the year : 6
- d. Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31st March 2015 : 39 shareholders - 5,200 shares

As per the listing agreement, separate Demat Suspense Account has been opened with the Depository Participant and the voting rights on the shares outstanding in the suspense account as on March 31, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

9. RISK MANAGEMENT COMMITTEE

The company has constituted a Risk Management committee with the Directors and Executives. Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a “risk” culture that encourages all employees to identify risks and associated
- Opportunities and to respond to them with effective actions
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets

10. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has established a mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the

mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 30 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id ampalanisamy@yahoo.co.in. The key directions/actions will be informed to the Managing Director of the Company.

11. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website of the company. As provided under clause 49 of the listing agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2014-15.

12. REGISTRAR & SHARE TRANSFER AGENT AND DEPOSITORY REGISTRAR

GNSA Infotech Limited is the Registrar for the demat segment and also share transfer agent of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Practising Company Secretary certifies on a quarterly basis the timely dematerialization of shares of the Company.

Address and Contact details of the RTA

GNSA Infotech Limited

STA Department

Nelson Chambers, F-Block, 4th Floor, No.115, Nelson Manickam Road

Aminjikarai, Chennai – 600 029.

Tel. No.: 044 – 42962025

Fax No.: 044 – 42962025

E-mail : sta@gnsaindia.com

13. (a) SHARE TRANSFER SYSTEM

Request for transfer of shares held in physical forms, received by the company are processed and generally, the share certificates are despatched within the stipulated time under the Companies Act, 2013 and the listing agreement with the Stock Exchanges provided, these documents are clear and complete in all aspects except, in cases where there are disputes over title of shares.

Certificate of compliance for share transfer formalities as required under Clause 47(c) of the listing agreement with the Stock Exchanges was obtained from a Company Secretary in Practice and filed with the Stock Exchanges.

(b) DEMATERIALISATION OF SHARES

The Company has already entered into agreements, with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members of the Company, to select the Depository of their choice for holding and dealing in shares in electronic form.

The shareholders are requested to make use of such facility for maximizing their convenience in dealing with Company's shares. The ISIN (International Securities Identification Number) of the Company is INE 177F01017.

As on 31.03.2015, 63% of the Company's paid-up equity capital was held in dematerialized form.

The Company has not issued any ADRs/GDRs/Warrants or any Convertible Instruments during the year.

14. MEANS OF COMMUNICATION

Quarterly Results: The quarterly financial results are generally published within forty five days from the end of each quarter.

Audited Results: The audited results are announced within sixty days from the end of the last quarter as stipulated in the listing agreement with the Stock Exchanges. The audited annual financial results form a part of the Annual Report and the same is being sent to the shareholders prior to the Annual General Meeting.

Website: The quarterly, half yearly and annual financial statements are posted on the Company's website viz: www.kmchhospitals.com.

15. SHAREHOLDERS' MEETING

The details of the Annual General Meetings / Extraordinary General Meeting held during the last three years are as under:

Annual General Meetings of the Company :

Year	Date	Venue	Time
2013-14	03.09.2014	KMCH Auditorium, KMCH Campus, Avanashi Road, Coimbatore	3.00 p.m.
2012-13	19.07.2013	A.P.Kalyana Mandapam, Goldwins, Coimbatore	11.00 a.m.
2011-12	13.07.2012	KMCH Auditorium, KMCH Campus, Avanashi Road, Coimbatore	11.00 a.m.

The following Special Resolutions were passed by the Members during the previous three Annual General Meetings.

- At the Annual General Meeting held on July 13, 2012: Nil
- At the Annual General Meeting held on July 19, 2013: Nil
- At the Annual General Meeting held on September 3, 2014:
 - ❖ Amendment of Articles of Association of the Company pursuant to the Companies Act, 2013.
 - ❖ Re-appointment of Managing Director.
 - ❖ Approval for Borrowing in excess of the paid-up capital & free reserves of the Company.
 - ❖ Approval for creation of Charge / Mortgage etc. on Company's movable / immovable properties.

Postal Ballot

During the year no ordinary or special resolutions were passed by the members through postal ballot.

16. GENERAL SHAREHOLDERS' INFORMATION

a. AGM Date, time and venue	25 th September 2015 at 11.00 a.m. A.P.Kalyana Mandapam 738/2 Avanashi Road Goldwins Coimbatore – 641 014

b. Financial Calender	
1 st Quarter	1 st April to 30 th June
2 nd Quarter	1 st July to 30 th September
3 rd Quarter	1 st October to 31 st December
4 th & last Quarter	1 st January to 31 st March

c. Date of Book closure	19 th September 2015 to 25 th September 2015 (both days inclusive)

d. Dividend Payment date	On or before 24 th October 2015

e. Listing	
i. Equity Shares	Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
ii. Listing Fees	Paid for the above Stock Exchange for 2014-15 and 2015-16

f. Custodial Fees	Paid the fees to NSDL and CDSL for 2014-15 and 2015-16

g. Address of the Registered Office	Post Box No.3209, Avanashi Road, Coimbatore – 641 014

h. Stock Exchange Security Code for Equity Shares	
Bombay Stock Exchange Limited	Scrip Code: 523323, Scrip Name: KOVAI

i. Demat ISIN Numbers in NSDL & CDSL for Equity Shares	INE 177F01017

j. Hospital Branches	1. KMCH – City Center 18 Vivekananda Road, Ram Nagar, Coimbatore – 641 009
	2. KMCH – Erode Center 68 Perundurai Road, Erode – 638 011
	3. KMCH Speciality Hospital 16 Palaniappa Street, Erode – 638 009

17. RECONCILIATION OF SHARE CAPITAL AUDIT

For each of the quarter in the Financial Year 2014-15, a qualified Practising Company Secretary, carried out Share Capital Audits as stipulated by the Securities and Exchange Board of India to reconcile the total admitted capital, with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued / listed capital.

The Audit Reports confirm the total issued/paid-up capital, is in agreement with total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL and in respect of the above, quarterly Share Capital Audit Report was filed with the Stock Exchanges.

18. STOCK MARKET DATA

Monthly high and low quotations of shares traded on Bombay Stock Exchange for the period April 2014 to March 2015 is given below.

BSE		
Month	High ₹	Low ₹
April 2014	162.75	145.00
May 2014	186.20	150.00
June 2014	252.20	178.00
July 2014	333.55	231.00
August 2014	339.90	285.00
September 2014	465.00	308.00
October 2014	440.00	375.40
November 2014	515.50	441.85
December 2014	519.00	460.00
January 2015	669.60	473.00
February 2015	693.90	586.00
March 2015	629.75	556.00

19. DISTRIBUTION OF SHAREHOLDERS

(a) Distribution of shareholding as at 31st March 2015.

No. of Equity Shares (Slab)	No. of shareholders	Percentage of shareholders	Nos.	Percentage of shareholding
1 – 500	6016	86.23	779729	7.12
501 - 1000	518	7.43	472682	4.32
1001 – 2000	128	1.83	214013	1.96
2001 – 3000	89	1.28	230482	2.11
3001 – 4000	30	0.43	109001	1.00
4001 – 5000	21	0.30	100780	0.92
5001 – 10000	61	0.87	525402	4.80
Above 10000	114	1.63	8510173	77.77
Total	6977	100.00	10942262	100.00

(b) Categories of shareholders as on 31st March 2015

S. No.	Category of shareholders	Total number of shares	Percentage (%)
1.	Promoters	5473240	50.02
2.	Bodies Corporate	1040004	9.50
3.	General Public	2829338	25.86
4.	Non-Resident Indians	1599680	14.62
	Total	10942262	100.00

20. DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 II (E) OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance to Clause 49 II (E) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with their respective code of conduct, as applicable to them, for the Financial Year ended 31st March 2015.

For Kovai Medical Center and Hospital Limited

Coimbatore
29.05.2015

Dr.Nalla G Palaniswami
Managing Director

**ANNEXURE TO CORPORATE GOVERNANCE REPORT****CERTIFICATE PURSUANT TO CLAUSE 49 (IX) OF THE LISTING AGREEMENT**

We, Dr.Nalla G Palaniswami, Managing Director and CA.P.K.Gopikrishnan, Chief Financial Officer of Kovai Medical Center and Hospital Limited, certify that :

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The Internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the auditors and to the audit committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

Coimbatore
29.05.2015

Dr.Nalla G Palaniswami
Managing Director

CA.P.K.Gopikrishnan
Chief Financial Officer



COMPLIANCE CERTIFICATE
(Under clause 49 of the Listing Agreement)

To

The members of KOVAI MEDICAL CENTER AND HOSPITAL LIMITED, Coimbatore

I have examined the compliance of conditions of Corporate Governance by **KOVAI MEDICAL CENTER AND HOSPITAL LIMITED**, for the year ended March 31, 2015, as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Coimbatore
29.05.2015

R.Ramchandar B.Com, ACS., LLB
Company Secretary in Practice
Membership No.33068
COP : 12240



INDEPENDENT AUDITOR'S REPORT

To The Members of Kovai Medical Center and Hospital Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Kovai Medical Center and Hospital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and

fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer **Note 34** on Contingent Liabilities;



- (ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company .

Coimbatore
May 29, 2015

For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg. No.103523W

C S Sathyanarayanan
Partner
Membership No.028328

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kovai Medical Center and Hospital Limited on the standalone financial statements for the year ended 31st March 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As informed no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
Customs Act	Customs Duty	189.46	1999-2000 & 2000-2001	High Court Chennai

- (c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg.No.103523W

C S Sathyanarayanan

Partner

Membership No 028328

Coimbatore
May 29, 2015

BALANCE SHEET AS AT 31st MARCH 2015

(₹ in lacs)

Particulars	Note	As at 31 st March 2015		As at 31 st March 2014	
EQUITY AND LIABILITIES					
1. Shareholder's Funds					
(a) Share Capital	2	1,094.23		1,094.23	
(b) Reserves & Surplus	3	12,746.48	13,840.71	9,129.90	10,224.13
2. Non-Current Liabilities					
(a) Long - Term Borrowings	4	12,758.60		15,414.41	
(b) Deferred Tax Liabilities (Net)	5	2,706.79		2,570.51	
(c) Other Long Term Liabilities	6	205.38		212.19	
(d) Long - Term Provisions	7	346.59	16,017.36	370.94	18,568.05
3. Current Liabilities					
(a) Short - Term Borrowings	8	482.56		419.21	
(b) Trade Payables	9	1,678.76		1,025.32	
(c) Other Current Liabilities	10	6,129.10		4,481.12	
(d) Short - Term Provisions	11	467.62	8,758.04	345.22	6,270.87
TOTAL			38,616.11		35,063.05
ASSETS					
1. Non- Current Assets					
(a) Fixed Assets:	12				
(i) Tangible Assets			28,076.43		27,696.09
(ii) Intangible Assets			16.21		22.07
(iii) Capital Work-in-Progress			1,666.70		493.59
(b) Non-Current Investment	13		372.27		360.27
(c) Long-Term Loans and Advances	14		822.62		1,120.43
2. Current Assets					
(a) Inventories	15	832.48		968.39	
(b) Trade Receivables	16	1,010.33		725.05	
(c) Cash and Cash Equivalent	17	5,550.75		3,492.70	
(d) Short -Term Loans and Advances	18	124.25		119.85	
(e) Other Current Assets	19	144.07	7,661.88	64.61	5,370.60
TOTAL			38,616.11		35,063.05

Significant Accounting Policies & Notes on Financial Statements

1 to 41

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No. 103523W

For and on behalf of the Board of Directors
C.S. SATHYANARAYANAN

Partner

Membership No. 028328

Coimbatore

29.05.2015

Dr. NALLA G PALANISWAMI

Managing Director

CA.A.M. PALANISAMY

Director

CA.P.K. GOPIKRISHNAN

Chief Financial Officer

CS.S.P. CHITTIBABU

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015

(₹ in lacs)

Particulars	Note	For the year ended 31 st March 2015	For the year ended 31 st March 2014
INCOME			
Revenue from Operations	20	40,162.07	33,406.05
Other Income	21	672.73	469.70
Total Income		40,834.80	33,875.75
EXPENSES			
Hospital Consumables	22	5,519.49	5,153.33
Purchase of Medicines (Pharmacy)	23	6,659.77	5,474.71
Changes in Inventories (Pharmacy)	24	62.99	(45.17)
Employee Benefits Expense	25	6,459.85	5,269.02
Finance Cost	26	2,037.71	2,394.11
Depreciation & Amortization Expenses	12	2,119.90	1,629.65
Other Expenses	27	12,032.32	10,268.16
Total Expenses		34,892.03	30,143.81
Profit Before Tax		5,942.77	3,731.94
Tax Expenses			
Current Tax (Net)	28	1,876.00	905.62
Prior Year Tax		31.87	-
Deferred Tax		165.00	454.42
Profit for the Year		3,869.90	2,371.90
Earnings Per Equity Share (in ₹)			
Basic & Diluted (Face Value of ₹ 10 each)	29	35.37	21.68

Significant Accounting Policies & Notes on Financial Statements

1 to 41

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No. 103523W

For and on behalf of the Board of Directors
C.S. SATHYANARAYANAN

Partner

Membership No. 028328

Coimbatore

29.05.2015

Dr. NALLA G PALANISWAMI

Managing Director

CA.A.M. PALANISAMY

Director

CA.P.K. GOPIKRISHNAN

Chief Financial Officer

CS.S.P. CHITTIBABU

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

(₹ in lacs)

Particulars	31 st March 2015		31 st March 2014	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before taxation and exceptional items		5,942.77		3,731.94
Adjustment for :				
Depreciation	2,119.90		1,629.65	
Finance cost	2,037.71		2,394.11	
Interest Income	(442.45)		(272.62)	
Loss on sale of fixed assets	15.12		58.70	
Dividend Income	(0.29)	3,729.99	(1.25)	3,808.59
Operating cash flow before working capital changes		9,672.76		7,540.53
Change in Working Capital				
Inventories	135.91		(76.44)	
Trade & Other Payables	1,890.34		529.43	
Trade & Other Receivables	(450.03)	1,576.22	(470.44)	(17.45)
Cash generated from operations		11,248.98		7,523.08
Income Tax/Wealth Tax Paid		(1,529.17)		(761.77)
Net cash from operating activities (A)		9,719.81		6,761.31
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(3,788.82)		(1,499.49)	
Sale of Fixed Assets	21.71		16.94	
Investment in shares	(12.00)		-	
Interest Received	442.45		272.62	
Dividend Received	0.29		1.25	
Net cash from / (used in) investing activities (B)		(3,336.37)		(1,208.68)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Long term borrowings (Net of repayment)	(2,159.13)		(2,537.21)	
Working Capital borrowings (Net of repayment)	63.35		(34.43)	
Dividend Paid (including dividend distribution tax)	(191.90)		(189.81)	
Finance cost	(2,037.71)		(2,394.11)	
Net cash from / (used in) financing activities (C)		(4,325.39)		(5,155.56)
Net increase in cash and cash equivalents (A+B+C)		2,058.05		397.07
Cash and Cash equivalent at the beginning of the year		3,492.70		3,095.63
Less: Bank Balances not considered as Cash & Cash equivalents as per AS 3		4,615.11		2,443.77
Cash and Cash equivalent at the end of the year		935.64		1,048.93

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No. 103523W

For and on behalf of the Board of Directors
C.S. SATHYANARAYANAN

Partner

Membership No. 028328

Coimbatore

29.05.2015

Dr. NALLA G PALANISWAMI

Managing Director

CA.A.M. PALANISAMY

Director

CA.P.K. GOPIKRISHNAN

Chief Financial Officer

CS.S.P. CHITTIBABU

Company Secretary

NOTE NO: 1
A. Nature of Operations

Kovai Medical Center and Hospital Limited was incorporated in the year 1985 and commenced its hospital operation in the year 1990 with the flagship of Multi-Speciality Hospital at Coimbatore and has thereafter set up the City Center, Erode Center and Erode speciality hospitals. The company's equity shares are listed on both Bombay Stock Exchange and Madras Stock Exchange.

B. SIGNIFICANT ACCOUNTING POLICIES:
(I) USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(ii) ACCOUNTING CONVENTION

The Financial statements have been prepared to comply in all material respects with the accounting standards specified under section 133 of the Companies Act read with rule 7 of the companies (Accounting Standards) Rules, 2014 and the relevant provisions of the companies Act, 2013. The Financial Statements have been prepared under the historical cost convention on an accrual basis. This accounting policy has been consistently applied by the company with those used in the previous year.

(iii) FIXED ASSETS

Fixed Assets are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation, amortization and impairment. Cost includes preoperative expenses and all expenses related to acquisition and installation of the concerned assets.

(iv) BORROWING COSTS

Borrowing Costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets. All the other borrowing costs are charged to revenue. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

(v) IMPAIRMENT OF ASSETS

As at each Balance Sheet date, the carrying amount of fixed assets is tested for impairment so as to determine;

- (a) the provision for impairment loss, if any, required or
- (b) the renewal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

(vi) INVESTMENTS

Current Investments are carried at lower of cost and market value. Long Term Investments are stated at cost. Provisions for diminution in value of long-term investments are made, if the diminution is other than temporary.

(vii) DEPRECIATION AND AMORTIZATION

Depreciation is provided on Straight Line Method in the manner and at the useful life specified in Schedule II to the Companies Act, 2013. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Company for its use.

(viii) LEASES

Where the company is the lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the company is the lessor:

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Asset subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

(ix) INVENTORIES

- (a) Inventories are valued at lower of cost and estimated net realizable value.
- (b) Cost is arrived at on First-in-First Out (FIFO) basis.

(x) FOREIGN CURRENCY TRANSACTIONS

- (a) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- (b) Foreign Currency monetary assets and liabilities at the year end are realigned to the exchange rate prevailing at the year end and the difference on realignment is recognized in the Statement of Profit and Loss.

- (c) Non-monetary foreign currency items are carried at cost.

(xi) REVENUE RECOGNITION

Income and Expenditure are generally accounted on accrual basis except those with significant uncertainties.

Operating Income

- (a) The income by way of Doctors' Consultancy Fees and the consequent liability towards Doctors' consultation charges are considered as accrued as and when the amounts are finalized and certainty of recovery from Patients is ascertained.
- (b) The insurance claims are accounted as and when the claims are settled or accepted by the insurance company whichever is earlier.
- (c) Revenue from sale of dietary items / pharmacy items are recognised as and when the services are rendered / goods sold.

Income from Sponsorships

Revenue is recognised as and when the services are rendered.

Income from Academic services

Revenue is recognised on pro-rata basis on the completion of such services over the duration of the program.

Income from Interest / dividend

- (a) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.
- (b) Dividend income is recognised as and when the owners' right to receive payment is established.

(xii) TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable / Virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period

(xiii) RETIREMENT BENEFITS

- a) Payments to defined contribution schemes are charged as expense as and when incurred.
- b) Post employment and other long term benefits which are defined benefit plans are recognized based on the present value of the obligation determined in accordance with Accounting Standard (AS) - 15 on "Employee Benefits".

(xiv) PROVISIONS

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(xv) CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

2. SHARE CAPITAL

Particulars	31 st March 2015		31 st March 2014	
	No of shares	(₹ in lacs)	No of shares	(₹ in lacs)
Authorised				
Equity Shares of ₹ 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, Subscribed & Paid-up				
Equity Shares of ₹ 10/- each	1,09,42,262	1,094.23	1,09,42,262	1,094.23

a. Reconciliation of the equity shares outstanding is set out below

Particulars	31 st March 2015		31 st March 2014	
	No of shares	(₹ in lacs)	No of shares	(₹ in lacs)
Number of shares outstanding at the beginning of the year	1,09,42,262	1,094.23	1,09,42,262	1,094.23
Add: Issue during the year	-	-	-	-
Number of shares outstanding at the end of the year	1,09,42,262	1,094.23	1,09,42,262	1,094.23

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

b. There are no shares issued as fully paid up pursuant to contract without being received in cash, bonus shares and shares bought back in the immediately preceding 5 years.

c. Details of Shareholders holding more than 5% shares in the company :

Name of the Shareholder	31 st March 2015		31 st March 2014	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Dr. Thavamani Devi Palaniswami	10,94,530	10.00	20,60,017	18.82
2. Dr. Mohan S Palaniswami	-	-	8,49,769	7.76
3. Dr. Arun N Palaniswami	-	-	7,79,948	7.12
4. Kovai Purani Finance Private Limited	40,06,461	36.61	7,33,999	6.71
5. Dr. Purani P Palaniswami	-	-	6,67,491	6.10

3. RESERVES & SURPLUS

(₹ in lacs)

Particulars	31 st March 2015	31 st March 2014
a .General Reserve		
Opening Balance	3,744.95	3,594.95
Add:- Transferred from Surplus	200.00	150.00
Closing Balance	3,944.95	3,744.95
b. Surplus		
- Opening Balance	5,384.95	3,355.07
Add :- Net profit for the year	3,869.90	2,371.90
Amount available for appropriation	9,254.85	5,726.97
Less :- Appropriations		
- Depreciation as per transition provision in Note 7 (b) of Schedule II of Companies Act, 2013 (Net of Deferred Tax)	55.78	-
- Proposed Dividend on equity shares	164.13	164.13
- Tax on Proposed Dividend	33.41	27.89
- Transferred to General Reserve	200.00	150.00
- Closing Balance	8,801.53	5,384.85
Total (A+B)	12,746.48	9,129.90

4. LONG - TERM BORROWINGS

(₹ in lacs)

Particulars	31 st March 2015	31 st March 2014	31 st March 2015	31 st March 2014
	Non-Current Portion	Non-Current Portion	Current Maturities	Current Maturities
Secured borrowings				
(a) Term loans from Banks	12,407.60	15,246.56	2,839.00	2,421.89
(b) From Others	351.00	167.85	186.70	107.13
	12,758.60	15,414.41	3,025.70	2,529.02
Amount disclosed under the head "Other Current Liabilities - Current maturities of Long - Term Debt" (Note no. 10)	-	-	(3,025.70)	(2,529.02)
Net Amount	12,758.60	15,414.41	-	-

A. Security Particulars of Secured Loans :

- i. The term loans availed from Indian Bank and Indian Overseas Bank are primarily Secured by:
 - a) Pari pasu first charge on the Land and appurtenances therewith located at Kalapatti Village at Coimbatore and land located at Erode.
 - b) Pari pasu first charge on the entire Fixed Assets (Present and Future) of the Company.
 - c) Charge on the leasehold rights of the building at Erode in the name of Idhayam Hospitals Erode Limited, Erode.
 - d) Charge on the leasehold rights of the medical equipments in the name of Idhayam Hospitals Erode Limited, Erode.

The above facilities are also collaterally secured by a paripasu second charge on the entire current assets (Present and Future) of the Company.

- ii. In addition to the above, the subsidiary Company has given corporate guarantee to the limits availed by the Company.
- iii. The term loans facilities are further guaranteed by the personal guarantees of the Managing Director - Dr.Nalla G Palaniswami and Joint Managing Director- Dr. Thavamani Devi Palaniswami of the Company. The term loans carries interest rate at 11.75 % per annum.
- iv. Secured Loans from others represent Hire Purchase loans from SREI Equipments Finance Pvt. Ltd, HDFC Bank Ltd & Kotak Mahindra Prime Ltd secured by hypothecation of assets purchased and it carries interest rates varying from 8.20% to 11%.

B. Repayment Details :

- i. Secured Loans from Indian Bank
 - (a) Term Loan(Subordinate Loan) -The loan is repayable in 60 monthly instalments aggregating to ₹ 271.50 Lacs (Previous Year: ₹ 326.10 Lacs)
 - (b) Term Loan (I Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,900.48 Lacs (Previous Year: ₹ 2254.48 Lacs)
 - (c) Term Loan (II Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,801.50 Lacs (Previous Year: ₹ 2062.50 Lacs)
 - (d) Term Loan (III Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,369 Lacs (Previous Year : ₹ 1554.00 Lacs)
 - (e) Term Loan (IV Phase) - The loan is repayable in 56 monthly instalments aggregating to ₹ 2,280 Lacs (Previous Year : ₹ 2600.00 Lacs)

- ii. Secured Loans from Indian Overseas bank
 - (a) Term Loan (Subordinate Loan) - The loan is repayable in 60 monthly instalments aggregating to ₹273.12 Lacs (Previous Year : ₹ 327.60 Lacs)
 - (b) Term Loan (I Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹1,900.60 Lacs (Previous Year : ₹ 2254.60 Lacs)
 - (c) Term Loan (II Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹1,802.48 Lacs (Previous Year : ₹ 2063.48 Lacs)
 - (d) Term Loan (III Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹1,367.92 Lacs (Previous Year : ₹ 1552.96 Lacs)
 - (e) Term Loan (IV Phase) - The loan is repayable in 56 monthly instalments aggregating to ₹2,280.00 Lacs (Previous Year : ₹ 2,600.00 Lacs)
- iii. Secured Loans from others - SREI Equipments Finance Private Limited
 - (a) Hire Purchase Loan is repayable in 13 equated monthly instalments aggregating to ₹ 68.23 Lacs (Previous Year : ₹ 126.03 Lacs)
 - (b) Hire Purchase Loan is repayable in 27 equated monthly instalments aggregating to ₹ 99.62 Lacs (Previous Year : ₹ 138.03 Lacs)
- iv. Secured Loans from others - HDFC Bank Ltd
 - (a) Hire Purchase Loan is repayable in 52 equated monthly instalments aggregating to ₹ 282.27 Lacs (Previous Year Nil)
 - (b) Hire Purchase Loan is repayable in 38 equated monthly instalments aggregating to ₹ 13.22 Lacs (Previous Year Nil)
 - (c) Hire Purchase Loan is repayable in 41 equated monthly instalments aggregating to ₹ 11.58 Lacs (Previous Year Nil)
- v. Secured Loans from others - Kotak Mahindra Prime Ltd
 - (a) Hire Purchase Loan is repayable in 38 equated monthly instalments aggregating to ₹ 62.78 Lacs (Previous Year Nil)

5. DEFERRED TAX LIABILITIES (Net)

(₹ in lacs)

Particulars	As at 31 st March 2015	Charged/ (Reversed) during the year	As at 31 st March 2014
Deferred Tax Liability on account of Accumulated Depreciation	3,016.45	215.66	2,800.79
(A)	3,016.45	215.66	2,800.79
Deferred Tax Asset on account of Provision for Bonus	71.34	19.21	52.13
Provision for Gratuity	182.22	34.10	148.12
Provision for Long Term Compensated absence	27.38	(2.65)	30.03
Accumulated Depreciation	28.72	28.72	-
(B)	309.66	79.38	230.28
Deferred Tax Liability - Net (A-B)	2,706.79	136.28	2,570.51
Add: Adjustment with Opening Balance of Surplus in the Statement of Profit and Loss (Refer to Note no.37)		28.72	
Total		165.00	

6. OTHER LONG - TERM LIABILITIES

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(i) Rental Advances	48.91	48.91
(ii) Other Advances	156.47	163.28
Total	205.38	212.19

7. LONG - TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Gratuity (Unfunded) (Refer Note No. 31)	322.14	308.71
Long Term Compensated Absence (Unfunded) (Refer Note No. 31)	24.45	62.23
Total	346.59	370.94

8. SHORT - TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Secured Borrowings		
Cash Credit Loan from banks - Indian Bank	482.56	419.21
Total	482.56	419.21

The Company has availed working capital facility from Indian Bank which is primarily secured by :

- First Charge on current assets by way of hypothecation of present and future current assets including book debts and receivables.
- The above working capital facility is collaterally secured by all fixed assets mentioned in item No. A i(a) to (d) in note no.4 long term borrowings.
- The Working Capital facilities are further guaranteed by the personal guarantees of the Managing Director - Dr.Nalla G Palaniswami and Joint Managing Director - Dr.Thavamani Devi Palaniswami of the Company. The Working Capital facility carries interest rate @ 11.75% p.a.

9. TRADE PAYABLES

(₹ in lacs)

Particulars	As at 31 st March 2015		As at 31 st March 2014	
Creditors				
i. Micro, Small and Medium Enterprises	33.44		37.15	
ii. Others	1,645.32		988.17	
		1,678.76		1,025.32
Total		1,678.76		1,025.32

The information in relation to dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the Auditors. The interest payable, if any, would be provided as and when the liability arises.

10. OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31 st March 2015		As at 31 st March 2014	
(a) Current maturities of long-term debt (Refer note no.4 "Long term borrowings")	3,025.70		2,529.02	
(b) Accrued salaries and Benefits	254.40		388.39	
(c) Amount payable to Related parties (Refer Note No.35)	358.33		326.79	
(d) Advance received from Customers	102.36		111.75	
(e) Statutory dues	213.02		161.44	
(f) Unclaimed Dividend account	39.27		39.15	
(g) Creditors for capital goods	1,177.06		98.67	
(h) Other Payables	958.96		825.91	
Total		6129.10		4,481.12

11. SHORT - TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 st March 2015		As at 31 st March 2014	
(a) Gratuity (Unfunded) (Refer Note No. 31)	213.96		127.07	
(b) Long Term Compensated Absence (Unfunded) (Refer Note No.31)	56.12		26.13	
(c) Proposed Dividend	164.13		164.13	
(d) Dividend Tax on Proposed dividend	33.41		27.89	
Total		467.62		345.22

12. FIXED ASSETS

(₹ in lacs)

Description of Assets	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK				
	As at 01.04.14	Additions	Deletions	As at 31.03.15	Upto 31.03.14	For the Year	Transfer to Surplus	Deletions	Upto 31.03.15	As at 31.03.15	As at 31.03.14
Tangible Asset :											
Land	628.87	-	-	628.87	-	-	-	-	-	628.87	628.87
Buildings	14,403.54	892.20	18.89	15,276.85	1,041.41	370.09	0.58	5.26	1,406.82	13,870.03	13,362.13
Furniture & Fixtures	1,133.17	113.81	210.50	1,036.48	487.99	91.84	-	209.77	370.06	666.42	645.18
Office Equipments	226.83	33.45	30.37	229.91	93.61	51.11	17.82	29.63	132.91	97.00	133.22
Plant & Machinery	18,915.80	1,327.77	568.42	19,675.15	6,291.43	1,460.76	18.69	551.36	7,219.52	12,455.63	12,624.37
Computer Installations	474.28	37.06	23.75	487.59	273.19	73.29	43.57	23.49	366.56	121.03	201.09
Vehicles	241.08	196.51	32.71	404.88	139.85	55.11	3.84	31.37	167.43	237.45	101.23
Total Tangible Asset (A)	36,023.57	2,600.80	884.64	37,739.73	8,327.48	2,102.20	84.50	850.88	9,663.30	28,076.43	27,696.09
Intangible Asset :											
Licence software	62.74	11.84	-	74.58	40.67	17.70	-	-	58.37	16.21	22.07
Total Intangible (B)	62.74	11.84	-	74.58	40.67	17.70	-	-	58.37	16.21	22.07
Total (A+B)	36,086.31	2,612.64	884.64	37,814.31	8,368.15	2,119.90	84.50	850.88	9,721.67	28,092.64	27,718.16
Previous Year	34,923.33	1,477.96	314.98	36,086.31	6,977.50	1,629.65	-	239.00	8,368.15		
Capital Work-in-Progress										1,666.70	493.59
Total Assets										29,759.34	28,211.75

a) The title of piece of land belonging to the company measuring 5000 Sq. ft. is challenged legally by a third party which the Company is defending. The case filed against the company before the District Court, Erode has been adjudicated against the Company. The Company has filed a second appeal against the order before the Honourable High Court of Judicature, Madras. The High Court was pleased to pass an interim order of status quo until further order. The Company is confident of succeeding the matter before the Madras High Court and hence no provision is considered necessary for the amount paid towards the cost of land.

b) Borrowing cost capitalised during the year - Nil (Previous year - Nil)

13. NON - CURRENT INVESTMENT

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Long term Investments at Cost		
(a) Long Term - Non Trade, (Quoted)		
(i) 6100 (previous year: 6100) Equity Shares of ₹10/- each fully paid up in Canara Bank (Market Value ₹22.44 Lacs; Previous Year ₹16.13 Lacs)	2.14	2.14
(ii) 2300 (previous year: 2300) Equity Shares of ₹10/- each fully paid up in Indian Overseas Bank (Market Value ₹0.97 Lacs; Previous Year ₹1.17 Lacs)	0.55	0.55
(b) Long Term - Trade, (Unquoted)		
120000 (previous year: Nil) Equity shares of ₹10/- each fully paid up in Mytrah Vayu (Manjira) Private Limited	12.00	-
(c) Shares in Subsidiary Company, Trade (Unquoted)		
372440 (previous year: 372440) Equity Shares of ₹100/- each fully paid up in Idhayam Hospitals Erode Limited (Extent of holding 100%)	357.58	357.58
Total	372.27	360.27
Aggregate amount of quoted Investments	2.69	2.69
Market value of quoted Investments	23.41	17.30
Aggregate amount of unquoted Investments	369.58	357.58

14. LONG - TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured, Considered good		
(a) Capital Advance	225.25	172.50
(b) Security Deposits		
Electricity and Other Deposits	123.22	100.37
(c) Other loans and advances		
(i) Rent and Lease Advances	429.70	424.71
(ii) Advance Income Taxes (Net of Provisions)	41.15	17.61
(iii) MAT Credit Entitlement	-	402.24
(iv) Other Advances	3.30	3.00
Total	822.62	1,120.43

15 INVENTORIES (Valued at lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Pharmacy	462.22	525.21
(b) Hospital Consumables	289.01	349.54
(c) Stores & Spares	45.34	53.73
(d) Others #	35.91	39.91
Total	832.48	968.39

Others includes fuel, canteen items & Stationery etc..)

16. TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured, considered good:		
(a) Debts outstanding for a period exceeding six months	67.93	6.42
(b) Other receivables	942.40	718.63
Total	1,010.33	725.05

17. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Cash and Cheques on hand	41.14	57.63
(b) Balance with banks		
In current and Deposit accounts	5,464.92	3,392.30
In Bank Guarantee Margin Deposit account	5.42	3.62
In Unclaimed Dividend account	39.27	39.15
Total	5,550.75	3,492.70

Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS-3 Cash flow statement is

935.64

1,048.93

18. SHORT - TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured, considered good		
(a) Advance for Purchase	16.48	14.21
(b) Advance for Expenses	20.17	14.48
(c) Loan and Advance to Employees	0.05	0.06
(d) Prepaid Expenses	87.55	91.10
Total	124.25	119.85

19. OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Rent Receivable	6.32	5.76
(b) Other Charges Recoverable	137.75	58.85
Total	144.07	64.61

20. REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	2014-15	2013-14
I. Revenue from Operations		
(a) Inpatients Revenue	22,144.85	18,744.13
(b) Outpatients Revenue	8,097.88	6,609.45
(c) Pharmacy Sales	8,557.13	6,877.39
(d) Dietary Sales	1,344.01	1,170.94
II. Other Operating Income		
Other Operating Income	18.20	4.14
Total	40,162.07	33,406.05

21. OTHER INCOME

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Interest Income	442.45	272.62
(b) Dividend income	0.29	1.25
(c) Rent Received	125.40	125.34
(d) Parking Charges	42.46	35.00
(e) Scrap Sales	21.63	12.37
(f) Miscellaneous Income	40.50	23.12
Total	672.73	469.70

22. HOSPITAL CONSUMABLES

(₹ in lacs)

Particulars	2014-15	2013-14
Inventory at the beginning of the year	349.54	339.60
Add : Purchase of Hospital Consumables	5,458.96	5,163.27
	5,808.50	5,502.87
Less: Inventory at the end of the year	289.01	349.54
Total	5,519.49	5,153.33

23. PURCHASE OF MEDICINES (Pharmacy)

(₹ in lacs)

Particulars	2014-15	2013-14
Purchase of Medicines	6,659.77	5,474.71
Total	6,659.77	5,474.71

24. CHANGES IN INVENTORIES (Pharmacy)

(₹ in lacs)

Particulars	2014-15	2013-14
Opening Stock of Medicines	525.21	480.04
Less: Closing Stock of Medicines	462.22	525.21
(Increase) / Decrease in Inventories	62.99	(45.17)

25. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Salaries, Allowances and Bonus	5,673.55	4,731.58
(b) Contribution to Provident and Other Funds	402.25	246.60
(c) Staff Welfare Expenses	198.14	168.57
(d) Long Term Compensated Absence [Refer Note No.31(d)]	60.98	37.08
(e) Gratuity [Refer Note No.31(d)]	124.93	85.19
Total	6,459.85	5,269.02

26. FINANCE COST

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Interest expense	2,030.67	2,392.96
(b) Other borrowing cost	7.04	1.15
Total	2,037.71	2,394.11

27. OTHER EXPENSES

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Power and Fuel Consumed	820.18	815.77
(b) Consumption of Dietary	946.38	915.86
(c) Consultant Charges	6,664.02	5,595.78
(d) Hospital upkeep Expenses	794.67	715.82
(e) Consumption of Stores and Spares	132.91	96.22
(f) Lab Test Charges	239.43	175.72
(g) Water charges	153.38	133.58
(h) Travelling and Conveyance	82.22	63.13
(i) Rent	183.53	139.96
(j) Advertisement	201.75	232.88
(k) Auditors' Remuneration	17.25	15.34
(l) Professional Charges	57.16	52.75
(m) Directors Sitting Fee	0.84	0.71
(n) Repair and Maintenance- Building	186.36	163.00
(o) Repair and Maintenance-Machinery	648.73	368.85
(p) Repair and Maintenance-Others	200.23	153.28
(q) Expenditure towards CSR activities	26.88	-
(r) Administration and Other Expenses	676.40	629.51
Total	12,032.32	10,268.16

Auditor's Remuneration

(₹ in lacs)

Particulars	2014-15	2013-14
Payments to the auditor's		
(a) For Statutory Audit	11.25	10.25
(b) For Tax Audit	2.50	2.50
(c) For Other Services	1.12	0.50
(d) For Reimbursement of Expenses	0.48	0.40
(e) For Service Tax	1.90	1.69
Total	17.25	15.34

28. CURRENT TAX (NET)

(₹ in lacs)

Particulars	2014-15	2013-14
Provision for Income Tax	1,876.00	905.62
Total	1,876.00	905.62

GENERAL NOTES
29. Earnings Per Share (EPS) computed in accordance with Accounting Standard (AS) - 20.

Particulars	31.03.2015	31.03.2014
Profit for the year (₹ in lacs)	3,869.90	2,371.90
Weighted average number of shares outstanding during the year (Nos. in lacs)	109.42	109.42
Earnings per share (Basic/Diluted) (in ₹)	35.37	21.68
Face value per share (in ₹)	10.00	10.00

30. Operating Lease

The Company has entered into operating lease, having a lease period ranging from 1-29 years, with an option to renew the lease.

The total future minimum lease payments are as follows

Particulars	(₹ in lacs)	
	31.03.2015	31.03.2014
Not later than one year	234.74	131.71
Later than one year and not later than five years	696.21	205.34
Later than five years	2270.23	Nil

Disclosure for company as lessor

Particulars	(₹ in lacs)	
	31.03.2015	31.03.2014
Not later than one year	80.30	96.75
Later than one year and not later than five years	149.44	177.24
Later than five years	2.25	6.00

31. The Company has provided for employee benefits as per Accounting Standard (AS) - 15 in respect of defined benefit plan (Gratuity and Long Term compensated absence).
a) Description of the company's defined benefit plan :

- (i). The Company operates a defined benefit plan for payment of post employment benefits in the form of Gratuity and Long Term compensated absence. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided for in the Payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the company.
- (ii). The Company also extends defined benefit plans in the form of compensated absence to employees. The employee benefits towards compensated absence are provided based on actuarial valuation made at the end of the year.

b) Reconciliation in respect of the changes in the Present value of the obligation : (₹ in lacs)

Particulars	Gratuity		Long Term Compensated Absence	
	2015	2014	2015	2014
Present Value of the obligation (Opening)	435.78	366.12	88.36	102.95
Current service cost	42.74	40.95	16.46	10.10
Interest Cost	32.95	31.68	4.20	6.82
Benefits paid	(24.61)	(15.53)	(68.79)	(51.67)
Actuarial (gains) and losses	49.24	12.56	40.33	20.16
Present Value of the Obligation (Closing)	536.10	435.78	80.56	88.36

c) Reconciliation in respect of the changes in the fair value of Plan assets : (₹ in lacs)

Particulars	Gratuity		Long Term Compensated Absence	
	2015	2014	2015	2014
Present Value of the obligation (Opening)	-	-	-	-
Add:				
Expected return on plan assets	-	-	-	-
Contribution by Employer	24.61	15.53	68.79	51.67
Benefits paid	(24.61)	(15.53)	(68.79)	(51.67)
Actuarial (gains) and losses	-	-	-	-
Fair Value of plan assets (Closing)	-	-	-	-

d) The total expenses recognized in the statement of profit and loss is as follows : (₹ in lacs)

Particulars	Gratuity		Long Term Compensated Absence	
	2015	2014	2015	2014
Current Service cost	42.74	40.95	16.45	10.10
Interest Cost	32.95	31.68	4.20	6.82
Expected return on plan assets	-	-	-	-
Net Actuarial (Gain)/Loss recognized in the year	49.24	12.56	40.33	20.16
Transitional Liability recognized in the year	-	-	-	-
Past service cost – Non vested benefits	-	-	-	-
Past service cost – vested benefits	-	-	-	-
Amount Recognized in the Statement of Profit and Loss	124.93	85.19	60.98	37.08

e) The major category of plan assets as percentage of total plan assets are as follows :

Particulars	Gratuity (%)		Long Term Compensated Absence (%)	
	2015	2014	2015	2014
Investments made	-	-	-	-
Amounts held in Current account with bank	-	-	-	-
Investment in Company's Own financial instruments	-	-	-	-
Investment in Property or Other assets owned by the Company	-	-	-	-

f) Principal actuarial assumptions used as at the balance sheet date :

Particulars	Gratuity (%)		Long Term Compensated Absence (%)	
	2015	2014	2015	2014
Discount rate	7.78	8.84	7.78	8.84
Salary Escalation rate	10.00	15.00	10.00	15.00
Attrition rate	40.00	25.00	40.00	25.00
Expected return on plan assets	-	-	-	-

The estimates of future salary increases considered in actuarial valuation takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

g) Particulars of Gratuity for the annual period ending

(₹ in lacs)

Particulars	Gratuity 2014-15	Gratuity 2013-14	Gratuity 2012-13	Gratuity 2011-12	Gratuity 2010-11
Present value of obligation	536.10	435.78	366.12	291.00	259.38
Plan assets	-	-	-	-	-
Surplus / (Deficit) in Plan assets	(536.10)	(435.78)	(366.12)	(291.00)	(259.38)
The experience adjustments arising on the plan liabilities – loss/(Gain)	(169.85)	(27.92)	(19.79)	(21.94)	(3.01)
The experience adjustments arising on the plan assets – loss/(Gain)	-	-	-	-	-

h) Particulars of Long Term Compensated Absence for the annual period ending (₹ in lacs)

Particulars	Long Term Compensated Absence 2014-15	Long Term Compensated Absence 2013-14	Long Term Compensated Absence 2012-13	Long Term Compensated Absence 2011-12	Long Term Compensated Absence 2010-11
Present value of obligation	80.56	88.36	102.95	73.25	38.58
Plan assets	-	-	-	-	-
Surplus/(Deficit) in Plan assets	(80.56)	(88.36)	(102.95)	(73.25)	(38.58)
The experience adjustments arising on the plan liabilities – loss/(Gain)	(49.46)	(11.26)	(41.19)	(43.54)	(11.01)
The experience adjustments arising on the plan assets – Loss/(Gain)	-	-	-	-	-

(₹ in lacs)

32. Particulars	2014-2015	2013-2014
(i) CIF value of imports		
a. Capital goods	226.07	77.08
b. Spares	6.25	9.36
(ii) Earnings in Foreign Currency	-	-
(iii) Expenditure in Foreign Currency - Travelling expenses	9.82	0.86
(iv) Dividend paid in Foreign Currency		
a. Dividend (₹ in Lacs)	22.70	24.40
b. No. of Non Resident Share Holders (in Nos.)	76	84
c. No of Shares of ₹10 each held by them (in Nos.)	15,13,170	16,26,356

33. In-patients and out patients revenue is net of discount/free/concessional treatment/claims.

34. Contingent Liabilities and Commitments as on closing date

(₹ in lacs)

Particulars	31.03.2015	31.03.2014
Contingent Liabilities :		
a) Letters of Credit for capital equipment's	152.38	315.00
b) Demand of Customs Duty (excluding interest) raised by the authorities disputed and not acknowledged	189.46	189.46
c) Claims of various nature made against the Company not acknowledged as debt	709.20	119.20
Commitments :		
Estimated amount of contracts remaining to be executed on capital account	929.83	5,014.18

35. Related party disclosures under Accounting Standard (AS) - 18.

The list of related parties as identified by the management are as under

(i) Names of related parties and description of relationship :

- a. Key Management Personnel / Promoters : Dr. Nalla G Palaniswami
Dr. Thavamani Devi Palaniswami
Dr. Mohan S Gounder
- b. Subsidiary Company : Idhayam Hospitals Erode Limited
- c. Other Related Parties (Includes entities in which the Directors are interested) : Purani Hospital Supplies Limited
Aosta Software Technologies (India) Limited
ABT Industries Limited
Sakthi Sugars Limited
Biomed Hitech Industries Limited
K Pharmacy
NGP Estate Motors Agencies
Dr.Arun N Palaniswami
Dr. Purani P Palaniswami

(ii) Related Party Transactions :

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties. Following transactions were carried out with the related parties.

(₹ in lacs)

Nature of Business	Subsidiary Company	Key Management Personnel	Other Related Parties	Total as on 31.03.15	Total as on 31.03.14
Lease rent paid	54.60	33.98	33.01	121.59	101.14
Interest on Lease advance received	20.25	-	-	20.25	21.00
Purchases	-	-	1,570.90	1,570.90	5,007.78
Rent Receipts	-	-	2.45	2.45	2.45
IT Software & Hardware	-	-	45.06	45.06	6.74
Maintenance Charges	-	-	-	-	-
Consultant charges	-	-	5.00	5.00	3.00
Directors Remuneration, Commission & Perquisites	-	402.61	-	402.61	261.63
Directors Sitting fees	-	-	0.05	0.05	0.03
Lease Advance received Back	50.00	-	-	50.00	-
Lease Advance Paid	-	-	-	-	25.00
Amount Payable	-	251.89	106.44	358.33	326.79
Lease Advance paid (Closing Balance)	300.00	24.00	30.00	354.00	399.00

36. Segment Reporting

Running of Hospitals is the only operating segment for the company. The entire financials and profit given are related only to this segment.

37. Depreciation is provided on Straight Line Method based on the useful life as specified in Schedule II of the Companies Act, 2013. In respect of assets whose remaining useful life is already exhausted as at April 1, 2014, depreciation of ₹ 55.78 lacs (net of deferred tax) has been adjusted against the opening balance of Retained Earnings as on that date. Consequent to the above, depreciation for the year is higher by ₹ 506.17 lacs.

38. a. Gross Amount required to be spent by the Company towards CSR Activities during the year : ₹ 56.60 Lacs

b. Amount spent during the year on : ₹ 26.88 Lacs

₹ in Lacs

S.No.	Particulars	Paid	Yet to be paid	Total
(i)	Construction/acquisition of any asset	Nil	Nil	Nil
(ii)	Purposes other than (i) above	10.79	16.09	26.88

39. Income tax assessments have been completed upto the assessment year 2012-13.

40. Figures of the previous year have been regrouped, reclassified and rearranged wherever necessary to conform to current year's classification.

41. Figures have been rounded off to the nearest thousands.

Signatures to notes 1 to 41

Vide our report of even date attached

For Haribhakti & Co.LLP

Chartered Accountants
Firm Reg. No. 103523W

C.S. SATHYANARAYANAN

Partner
Membership No. 028328

Coimbatore
29.05.2015

For and on behalf of the Board of Directors
Dr. NALLA G PALANISWAMI

Managing Director

CA.A.M. PALANISAMY

Director

CA.P.K. GOPIKRISHNAN

Chief Financial Officer

CS.S.P. CHITTIBABU

Company Secretary

CONSOLIDATED
FINANCIAL
STATEMENTS

CONSOLIDATED
FINANCIAL
STATEMENTS

**INDEPENDENT AUDITOR'S REPORT****To the Members of Kovai Medical Center and Hospital Limited****Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Kovai Medical Center and Hospital Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in

the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and subsidiary company incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;



- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 32 to the consolidated financial statements;
 - (ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg.No. 103523W

Coimbatore
May 29, 2015

C S SATHYANARAYANAN
Partner
Membership No.028328

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Kovai Medical Center and Hospital Limited on the consolidated financial statements for the year ended March 31, 2015

- (i) (a) The Group has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Group have been physically verified by the management of the respective entities and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to their size and the nature of their assets.
- (ii) (a) The inventory of the Group have been physically verified by the management of the respective entities during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management of the Group are reasonable and adequate in relation to their size and the nature of its business.
- (c) The Group is maintaining proper records of inventory. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given by the management of the Group, there exists an adequate internal control system commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the respective entities.
- (v) In our opinion and according to the information and explanations given by the management of the Group, the respective entities have not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Group, in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Group is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

AND

According to the information and explanations given by the management of the Group, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

No. of Component/ Holding Company	Name of the statute	Nature of dues	Amount ₹ in lacs	Period to which the amount relates	Forum where dispute is pending
Holding Company	Customs Act	Customs Duty	189.46	1999-2000 & 2000-2001	High Court Chennai

- (c) According to the information and explanations given by the management of the Group, there have been no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the respective entities.
- (viii) The Group did not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given by the management of the Group, the respective entities have not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) According to the information and explanations given by the management of the Group, the respective entities have not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given by the management of the Group, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of examination of the books and records of the Group carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the respective entities.

For Haribhakti & Co. LLP
Chartered Accountants
Firm Reg.No. 103523W

C S SATHYANARAYANAN
Partner
Membership No 028328

Coimbatore
May 29, 2015

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2015

(₹ in lacs)

Particulars	Note	As at 31 st March 2015		As at 31 st March 2014	
EQUITY AND LIABILITIES					
1. Shareholder's Funds					
(a) Share Capital	2	1,094.23		1,094.23	
(b) Reserves and Surplus	3	12,575.67		9,025.40	
			13,669.90		10,119.63
2. Non-Current Liabilities					
(a) Long - Term Borrowings	4	12,758.60		15,414.41	
(b) Deferred Tax Liabilities (Net)	5	2,706.79		2,570.51	
(c) Other Long - Term Liabilities	6	205.38		212.19	
(d) Long - Term Provisions	7	346.59		370.94	
			16,017.36		18,568.05
3. Current Liabilities					
(a) Short - Term Borrowings	8	482.56		419.21	
(b) Trade Payables	9	1,678.76		1,025.32	
(c) Other Current Liabilities	10	6,131.06		4,483.64	
(d) Short - Term Provisions	11	467.62		345.22	
			8,760.00		6,273.39
TOTAL			38,447.26		34,961.07
ASSETS					
1. Non - Current Assets					
(a) Fixed Assets:	12				
(i) Tangible Assets			28,366.64		28,089.78
(ii) Intangible Assets			140.67		146.53
(iii) Capital Work-in-Progress			1,666.70		493.59
(b) Non-Current Investment	13		14.69		2.69
(c) Long-Term Loans and Advances	14		570.21		818.74
2. Current Assets					
(a) Inventories	15	832.48		968.39	
(b) Trade Receivables	16	1,010.33		725.05	
(c) Cash and Cash Equivalents	17	5,576.89		3,531.51	
(d) Short -Term Loans and Advances	18	124.58		120.18	
(e) Other Current Assets	19	144.07		64.61	
			7,688.35		5,409.74
TOTAL			38,447.26		34,961.07

Significant Accounting Policies and Notes on Financial Statements

1 to 34

Vide our report of even date attached

For Haribhakti & Co.LLP

 Chartered Accountants
 Firm Reg.No. 103523W

For and on behalf of the Board of Directors
C.S. SATHYANARAYANAN

 Partner
 Membership No. 028328

 Coimbatore
 29.05.2015

Dr. NALLA G PALANISWAMI

Managing Director

CA.A.M. PALANISAMY

Director

CA.P.K. GOPIKRISHNAN

Chief Financial Officer

CS.S.P. CHITTIBABU

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015

(₹ in lacs)

Particulars	Note	For the year ended 31 st March 2015	For the year ended 31 st March 2014
INCOME			
Revenue from Operations	20	40,162.07	33,406.05
Other Income	21	659.71	451.24
Total Income		40,821.78	33,857.29
EXPENSES			
Hospital Consumables	22	5,519.49	5,153.33
Purchase of Medicines (Pharmacy)	23	6,659.77	5,474.71
Changes in Inventories (Pharmacy)	24	62.99	(45.17)
Employee Benefits Expense	25	6,460.15	5,269.32
Finance Cost	26	2,037.71	2,394.11
Depreciation, Impairment and Amortization Expenses	12	2,160.94	1,647.49
Other Expenses	27	11,994.50	10,224.60
Total Expense		34,895.55	30,118.39
Profit Before Tax		5,926.23	3,738.90
Tax Expenses			
Current Tax (Net)	28	1,876.00	907.01
Prior Year Tax		31.87	-
Deferred Tax		165.00	454.42
Profit for the Year		3,853.36	2,377.47
Earnings Per Equity Share (in ₹)			
Basic & Diluted (Face Value of ₹ 10 each)	29	35.22	21.73

Significant Accounting Policies and Notes on Financial Statements 1 to 34

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants
Firm Reg.No. 103523W

For and on behalf of the Board of Directors

C.S. SATHYANARAYANAN

Partner
Membership No. 028328

Coimbatore
29.05.2015

Dr. NALLA G PALANISWAMI

Managing Director

CA.A.M. PALANISAMY

Director

CA.P.K. GOPIKRISHNAN

Chief Financial Officer

CS.S.P. CHITTIBABU

Company Secretary



CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015 (₹ in lacs)

Particulars	31 st March 2015		31 st March 2014	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Profit before taxation and exceptional items		5,926.23		3,738.90
Adjustment for:				
Depreciation	2,160.94		1,647.49	
Finance cost	2,037.71		2,394.11	
Interest Income	(429.43)		(253.60)	
Loss on sale of fixed assets	22.06		58.14	
Dividend Income	(0.29)	3,790.99	(1.25)	3,844.89
Operating cash flow before working capital changes		9,717.22		7,583.79
Change in Working Capital				
Inventories	135.91		(76.45)	
Trade and Other Payables	1,889.78		527.81	
Trade and Other Receivables	(503.05)	1,522.64	(470.77)	(19.41)
Cash generated from operations		11,239.86		7,564.38
Income Tax/Wealth Tax Paid		(1,525.43)		(764.99)
Net cash from operating activities (A)		9,714.43		6,799.39
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(3,788.82)		(1,499.49)	
Sale of Fixed Assets	27.44		17.50	
Investment in Shares	(12.00)		-	
Interest Received	429.43		253.60	
Dividend Received	0.29		1.25	
Net cash from / (used in) investing activities (B)		(3,343.66)		(1227.14)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Long term Borrowings (Net of repayment)	(2,159.13)		(2,537.21)	
Working Capital borrowings (Net of repayment)	63.35		(34.43)	
Dividend paid (including dividend distribution tax)	(191.90)		(189.81)	
Finance cost	(2,037.71)		(2,394.11)	
Net cash from / (used in) financing activities (C)		(4,325.39)		(5,155.56)
Net increase in cash and cash equivalents (A+B+C)		2,045.38		416.69
Cash and Cash equivalent at the beginning of the year		3,531.51		3,114.82
Less: Bank Balances not considered as Cash and Cash equivalents as per AS 3		4,633.11		2,473.77
Cash and Cash equivalent at the end of the year		943.78		1,057.74

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants

Firm Reg.No. 103523W

For and on behalf of the Board of Directors

C.S. SATHYANARAYANAN

Partner

Membership No. 028328

Coimbatore

29.05.2015

Dr. NALLA G PALANISWAMI

Managing Director

CA.A.M. PALANISAMY

Director

CA.P.K. GOPIKRISHNAN

Chief Financial Officer

CS.S.P. CHITTIBABU

Company Secretary

NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES
(i) Basis of Preparation of Consolidated Financial Statements:

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting standards notified under the relevant provisions of the Companies Act, 2013.

(ii) Principles of Consolidation:

The consolidated financial statements relate to Kovai Medical Center and Hospital Limited ("the Company") and its Subsidiary Companies. The Consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary Companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserves as the case may be.
- c) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

(iii) Accounting of Investments :

Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 – "Accounting for Investments".

(iv) Other Significant Accounting Policies:

These are set out under "Significant Accounting Policies" as given in the standalone Financial Statements of Kovai Medical Center and Hospital Limited.

2. SHARE CAPITAL

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	No of shares	(₹ in lacs)	No of shares	(₹ in lacs)
Authorised				
Equity Shares of ₹ 10/- each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
Issued, Subscribed & Paid-up Equity Shares of ₹ 10/- each	1,09,42,262	1,094.23	1,09,42,262	1,094.23

a. Reconciliation of the equity shares outstanding is set out below

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	No of shares	(₹ in lacs)	No of shares	(₹ in lacs)
Number of shares outstanding at the beginning of the year	1,09,42,262	1,094.23	1,09,42,262	1,094.23
Add: Issue during the year	-	-	-	-
Number of shares outstanding at the end of the year	1,09,42,262	1,094.23	1,09,42,262	1,094.23

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

b. There are no shares issued as fully paid up pursuant to contract without being received in cash, bonus shares and shares bought back in the immediately preceding 5 years.

c. Details of Shareholders holding more than 5% shares in the company :

Name of the Shareholder	As at 31 st March 2015		As at 31 st March 2014	
	Equity Shares		Equity Shares	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Dr. Thavamani Devi Palaniswami	10,94,530	10.00	20,60,017	18.82
2. Dr. Mohan S Palaniswami	-	-	8,49,769	7.76
3. Dr. Arun N Palaniswami	-	-	7,79,948	7.12
4. Kovai Purani Finance Private Limited	40,06,461	36.61	7,33,999	6.71
5. Dr. Purani P Palaniswami	-	-	6,67,491	6.10

3. RESERVES AND SURPLUS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
a .General Reserve		
Opening Balance	3,744.95	3,594.95
Add:- Transferred from Surplus	200.00	150.00
Closing Balance	3,944.95	3,744.95
A		
b. Surplus		
- Opening Balance	5280.45	3,245.00
Add :- Net profit for the year	3,853.36	2,377.47
Amount available for appropriation	9,133.81	5,622.47
Less :- Appropriations		
- Depreciation as per transition provision in Note 7 (b) of Schedule II of Companies Act, 2013 (Net of Deferred Tax)	105.55	-
- Proposed Dividend on equity shares	164.13	164.13
- Tax on Proposed Dividend	33.41	27.89
- Transferred to General Reserve	200.00	150.00
- Closing Balance	8,630.72	5,280.45
B		
Total (A+B)	12,575.67	9,025.40

4. LONG - TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2015	As at 31 st March 2014
	Non-Current Portion	Non-Current Portion	Current Maturities	Current Maturities
Secured borrowings				
(a) Term loans from Banks	12,407.60	15,246.56	2,839.00	2,421.89
(b) From Others	351.00	167.85	186.70	107.13
	12,758.60	15,414.41	3,025.70	2,529.02
Amount disclosed under the head " Other Current Liabilities - Current maturities of Long - Term Debt" (Refer Note No.10)	-	-	(3,025.70)	(2,529.02)
Net Amount	12,758.60	15,414.41	-	-

A. Security Particulars of Secured Loans :

- i. The term loans availed from Indian Bank and Indian Overseas Bank are primarily Secured by:
 - a) Pari pasu first charge on the Land and appurtenances therewith located at Kalapatti Village at Coimbatore and land located at Erode.
 - b) Pari pasu first charge on the entire Fixed Assets (Present and Future) of the Company.
 - c) Charge on the leasehold rights of the building at Erode in the name of Idhayam Hospitals Erode Limited, Erode.
 - d) Charge on the leasehold rights of the medical equipments in the name of Idhayam Hospitals Erode Limited, Erode. The above facilities are also collaterally secured by a paripasu second charge on the entire current assets (Present and Future) of the Company.
- ii. In addition to the above, the subsidiary Company has given corporate guarantee to the limits availed by the Company.
- iii. The term loans facilities are further guaranteed by the personal guarantees of the Managing Director - Dr.Nalla G Palaniswami and Joint Managing Director- Dr. Thavamani Devi Palaniswami of the Company. The term loans carries interest rate at 11.75 % per annum.
- iv. Secured Loans from others represent Hire Purchase loans from SREI Equipments Finance Pvt. Ltd, HDFC Bank Ltd & Kotak Mahindra Prime Ltd secured by hypothecation of assets purchased and it carries interest rates varying from 8.20% to 11%.

B. Repayment Details :

- i. Secured Loans from Indian Bank
 - (a) Term Loan (Subordinate Loan) - The loan is repayable in 60 monthly instalments aggregating to ₹ 271.50 Lacs (Previous Year : ₹ 326.10 Lacs)
 - (b) Term Loan (I Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,900.48 Lacs (Previous Year : ₹ 2254.48 Lacs)
 - (c) Term Loan (II Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,801.50 Lacs (Previous Year : ₹ 2062.50 Lacs)
 - (d) Term Loan (III Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,369.00 Lacs (Previous Year : ₹ 1554.00 Lacs)
 - (e) Term Loan (IV Phase) - The loan is repayable in 56 monthly instalments aggregating to ₹ 2,280.00 Lacs (Previous Year : ₹ 2600.00 Lacs)
- ii. Secured Loans from Indian Overseas bank
 - (a) Term Loan (Subordinate Loan) - The loan is repayable in 60 monthly instalments aggregating to ₹ 273.12 Lacs (Previous Year : ₹ 327.60 Lacs)
 - (b) Term Loan (I Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,900.60 Lacs (Previous Year : ₹ 2254.60 Lacs)
 - (c) Term Loan (II Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,802.48 Lacs (Previous Year : ₹ 2063.48 Lacs)
 - (d) Term Loan (III Phase) - The loan is repayable in 60 monthly instalments aggregating to ₹ 1,367.92 Lacs (Previous Year : ₹ 1552.96 Lacs)
 - (e) Term Loan (IV Phase) - The loan is repayable in 56 monthly instalments aggregating to ₹ 2,280.00 Lacs (Previous Year : ₹ 2600.00 Lacs)
- iii. Secured Loans from others - SREI Equipments Finance Private Limited
 - (a) Hire Purchase Loan is repayable in 13 equated monthly instalments aggregating to ₹ 68.23 Lacs (Previous Year : ₹ 126.03 Lacs)
 - (b) Hire Purchase Loan is repayable in 27 equated monthly instalments aggregating to ₹ 99.62 Lacs (Previous Year : ₹ 138.03 Lacs)
- iv. Secured Loans from others - HDFC Bank Ltd
 - (a) Hire Purchase Loan is repayable in 52 equated monthly instalments aggregating to ₹ 282.27 Lacs (Previous Year Nil)

(b) Hire Purchase Loan is repayable in 38 equated monthly instalments aggregating to ₹ 13.22 Lacs (Previous Year Nil)

(c) Hire Purchase Loan is repayable in 41 equated monthly instalments aggregating to ₹ 11.58 Lacs (Previous Year Nil)

V. Secured Loans from others - Kotak Mahindra Prime Ltd

(a) Hire Purchase Loan is repayable in 38 equated monthly instalments aggregating to ₹ 62.78 Lacs (Previous Year Nil)

5. DEFERRED TAX LIABILITIES (Net)

(₹ in lacs)

Particulars	As at 31 st March 2015	Charged/ (Reversed) during the year	As at 31 st March 2014
Deferred Tax Liability on account of Accumulated Depreciation	3,016.45	215.66	2,800.79
(A)	3,016.45	215.66	2,800.79
Deferred Tax Asset on account of Provision for Bonus	71.34	19.21	52.13
Provision for Gratuity	182.22	34.10	148.12
Provision for Long Term Compensated absence	27.38	(2.65)	30.03
Accumulated Depreciation	28.72	28.72	-
(B)	309.66	79.38	230.28
Deferred Tax Liability - Net (A-B)	2,706.79	136.28	2,570.51
Add: Adjustment with Opening Balance of Surplus in the Statement of Profit and Loss		28.72	
Total		165.00	

6. OTHER LONG - TERM LIABILITIES

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(i) Rental Advances	48.91	48.91
(ii) Other Advances	156.47	163.28
Total	205.38	212.19

7. LONG - TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Gratuity (Unfunded)	322.14	308.71
Long Term Compensated Absence (Unfunded)	24.45	62.23
Total	346.59	370.94

8. SHORT - TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Secured Borrowings Cash Credit Loan from banks - Indian Bank	482.56	419.21
Total	482.56	419.21

The Company has availed working capital facility from Indian Bank which is primarily secured by:

- First Charge on current assets by way of hypothecation of present and future current assets including book debts and receivables.
- The above working capital facility is collaterally secured by all fixed assets mentioned in item No. A i(a) to (d) in note no.4 long term borrowings.
- The Working Capital facilities are further guaranteed by the personal guarantees of the Managing Director - Dr.Nalla G Palaniswami and Joint Managing Director - Dr.Thavamani Devi Palaniswami of the Company. The Working Capital facility carries interest rate @11.75% p.a.

9. TRADE PAYABLES

(₹ in lacs)

Particulars	As at		As at	
	31 st March 2015		31 st March 2014	
Creditors				
i. Micro, Small and Medium Enterprises	33.44		37.15	
ii. Others	1,645.32		988.17	
		1,678.76		1,025.32
Total		1,678.76		1,025.32

The information in relation to dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the Auditors. The interest payable, if any, would be provided as and when the liability arises.

10. OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at		As at	
	31 st March 2015		31 st March 2014	
(a) Current maturities of long-term debt (Refer Note No.4 "Long term borrowings")	3,025.70		2,529.02	
(b) Accrued salaries and Benefits	254.40		388.39	
(c) Amount payable to Related parties	358.33		326.79	
(d) Advance received from Customers	102.36		111.75	
(e) Statutory dues	213.42		161.94	
(f) Unclaimed Dividend account	39.27		39.15	
(g) Creditors for capital goods	1,177.06		98.67	
(h) Other Payables	960.52		827.93	
Total		6,131.06		4,483.64

11. SHORT - TERM PROVISIONS

(₹ in lacs)

Particulars	As at		As at	
	31 st March 2015		31 st March 2014	
(a) Gratuity (Unfunded)	213.96		127.07	
(b) Long Term Compensated Absence (Unfunded)	56.12		26.13	
(c) Proposed Dividend	164.13		164.13	
(d) Dividend Tax on Proposed Dividend	33.41		27.89	
Total		467.62		345.22

12. FIXED ASSETS

(₹ in lacs)

Description of Assets	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	As at 01.04.14	Additions	Deletions	As at 31.03.15	Upto 31.03.14	For the Year	Transfer to Surplus	Deletions	Upto 31.03.15	As at 31.03.15	As at 31.03.14
Tangible Asset :											
Land	628.87	-	-	628.87	-	-	-	-	-	628.87	628.87
Buildings	14,741.11	892.20	18.89	15,614.42	1,104.00	375.40	0.58	5.26	1,474.72	14,139.70	13,637.11
Furniture & Fixtures	1,176.58	113.81	210.50	1,079.89	518.73	91.84	10.51	209.77	411.31	668.58	657.85
Office Equipments	279.28	33.45	30.37	282.36	121.70	51.11	39.56	29.63	182.74	99.62	157.58
Plant & Machinery	19,423.26	1,327.77	828.41	19,922.62	6,717.22	1,496.49	36.21	798.68	7,451.24	12,471.38	12,706.04
Computer Installations	487.01	37.06	23.75	500.32	285.91	73.29	43.57	23.49	379.28	121.04	201.10
Vehicles	241.08	196.51	32.71	404.88	139.85	55.11	3.84	31.37	167.43	237.45	101.23
Total Tangible Asset (A)	36,977.19	2,600.80	1144.63	38,433.36	8,887.41	2,143.24	134.27	1,098.20	10,066.72	28,366.64	28,099.78
Intangible Asset :											
Licence software	62.74	11.84	-	74.58	40.67	17.70	-	-	58.37	16.21	22.07
Goodwill	124.46	-	-	124.46	-	-	-	-	-	124.46	124.46
Total Intangible (B)	187.20	11.84	-	199.04	40.67	17.70	-	-	58.37	140.67	146.53
Total (A+B)	37,164.39	2,612.64	1144.63	38,632.40	8,928.08	2,160.94	134.27	1,098.20	10,125.09	28,507.31	28,236.31
Previous Year	36,001.41	1,477.96	314.98	37,164.39	7,519.59	1,647.49	-	239.00	8,928.08		
Capital Work-in-Progress										1,666.70	493.59
Total Assets										30,174.01	28,729.90

a) The title of piece of land belonging to the company measuring 5000 Sq. ft. is challenged legally by a third party which the Company is defending. The case filed against the company before the District Court, Erode has been adjudicated against the Company. The Company has filed a second appeal against the order before the Honourable High Court of Judicature, Madras. The High Court was pleased to pass an interim order of status quo until further order. The Company is confident of succeeding the matter before the Madras High Court and hence no provision is considered necessary for the amount paid towards the cost of land.

b) Borrowing cost capitalised during the year - Nil (Previous year - Nil)

13. NON - CURRENT INVESTMENT

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Long term Investments at Cost		
(a) Long Term - Non Trade, (Quoted)		
(i) 6100 (previous year: 6100) Equity Shares of ₹10/- each fully paid up in Canara Bank (Market Value ₹ 22.44 Lacs; Previous Year ₹ 16.13 Lacs)	2.14	2.14
(ii) 2300 (previous year: 2300) Equity Shares of ₹ 10/- each fully paid up in Indian Overseas Bank (Market Value ₹ 0.97 Lacs; Previous Year ₹ 1.17 Lacs)	0.55	0.55
(b) Long Term - Trade, (Unquoted)		
120000 (previous year: Nil) Equity shares of ₹10/- each fully paid up in Mytrah Vayu (Manjira) Private Limited	12.00	-
Total	14.69	2.69
Aggregate amount of quoted Investments	2.69	2.69
Market value of quoted Investments	23.41	17.30
Aggregate amount of unquoted Investments	12.00	-

14. LONG - TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured, Considered good		
(a) Capital Advance	225.25	172.50
(b) Security Deposits		
Electricity and Other Deposits	130.18	104.31
(c) Other loans and advances		
(i) Rent and Lease Advances	129.70	74.71
(ii) Advance Income Taxes (Net of Provisions)	81.78	61.98
(iii) MAT Credit Entitlement	-	402.24
(iv) Other Advances	3.30	3.00
Total	570.21	818.74

15. INVENTORIES (Valued at lower of cost and net realisable value)

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Pharmacy	462.22	525.21
(b) Hospital Consumables	289.01	349.54
(c) Stores and Spares	45.34	53.73
(d) Others #	35.91	39.91
Total	832.48	968.39

Others includes fuel, canteen items & Stationery etc..)

16. TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured, considered good		
(a) Debts outstanding for a period exceeding six months	67.93	6.42
(b) Other debts	942.40	718.63
Total	1,010.33	725.05

17. CASH AND CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Cash and Cheques on hand	41.14	57.63
(b) Balance with banks		
In current and Deposit accounts	5,491.06	3,431.11
In Bank Guarantee Margin Deposit account	5.42	3.62
In Unclaimed Dividend account	39.27	39.15
Total	5,576.89	3,531.51

Of the above, the balances that meet the definition of Cash and Cash Equivalents as per

AS-3 Cash flow statement is

943.78
1,057.74
18. SHORT - TERM LOANS AND ADVANCES

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
Unsecured, considered good		
(a) Advance for Purchase	16.48	14.21
(b) Advance for Expenses	20.17	14.48
(c) Loan and Advance to Employees	0.05	0.06
(d) Prepaid Expenses	87.88	91.43
Total	124.58	120.18

19. OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31 st March 2015	As at 31 st March 2014
(a) Rent Receivable	6.32	5.76
(b) Other Charges Recoverable	137.75	58.85
Total	144.07	64.61

20. REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	2014-15	2013-14
I. Revenue from Operations		
(a) Inpatients Revenue	22,144.85	18,744.13
(b) Outpatients Revenue	8,097.88	6,609.45
(c) Pharmacy Sales	8,557.13	6,877.39
(d) Dietary Sales	1,344.01	1,170.94
II. Other Operating Income		
Other Operating Income	18.20	4.14
Total	40,162.07	33,406.05

21. OTHER INCOME

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Interest Income	429.43	253.60
(b) Dividend income	0.29	1.25
(c) Rent Received	125.40	125.34
(d) Parking Charges	42.46	35.00
(e) Scrap Sales	21.63	12.37
(f) Miscellaneous Income	40.50	23.68
Total	659.71	451.24

22 . HOSPITAL CONSUMABLES

(₹ in lacs)

Particulars	2014-15	2013-14
Inventory at the beginning of the year	349.54	339.60
Add : Purchase of Hospital Consumables	5,458.96	5,163.27
	5,808.50	5,502.87
Less: Inventory at the end of the year	289.01	349.54
Total	5,519.49	5,153.33

23. PURCHASE OF MEDICINES (Pharmacy)

(₹ in lacs)

Particulars	2014-15	2013-14
Purchase of Medicines	6,659.77	5,474.71
Total	6,659.77	5,474.71

24. CHANGES IN INVENTORIES (Pharmacy)

(₹ in lacs)

Particulars	2014-15	2013-14
Opening Stock of Medicines	525.21	480.04
Less: Closing Stock of Medicines	462.22	525.21
(Increase) / Decrease in Inventories	62.99	(45.17)

25. EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Salaries, Allowances and Bonus	5,673.85	4,731.88
(b) Contribution to Provident and Other Funds	402.25	246.60
(c) Staff Welfare Expenses	198.14	168.57
(d) Long Term Compensated Absence	60.98	37.08
(e) Gratuity	124.93	85.19
Total	6,460.15	5,269.32

26. FINANCE COST

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Interest on borrowings	2,030.67	2,392.96
(b) Other borrowing cost	7.04	1.15
Total	2,037.71	2,394.11

27. OTHER EXPENSES

(₹ in lacs)

Particulars	2014-15	2013-14
(a) Power and Fuel Consumed	820.18	815.77
(b) Consumption of Dietary	946.38	915.86
(c) Consultant Charges	6,664.02	5,595.78
(d) Hospital upkeep Expenses	794.67	715.82
(e) Consumption of Stores and Spares	132.91	96.22
(f) Lab Test Charges	239.43	175.72
(g) Water charges	153.38	133.58
(h) Travelling and Conveyance	82.22	63.13
(i) Rent	183.53	139.96
(j) Advertisement	201.75	232.88
(k) Auditor's Remuneration	19.29	18.21
(l) Professional Charges	57.94	54.04
(m) Directors Sitting Fee	0.84	0.71
(n) Repair and Maintenance- Building	186.36	163.00
(o) Repair and Maintenance-Machinery	648.73	368.85
(p) Repair and Maintenance-Others	200.23	153.28
(q) Expenditure towards CSR activities	26.88	-
(r) Administration and Other Expenses	635.76	581.79
Total	11,994.50	10,224.60

Auditor's Remuneration

(₹ in lacs)

Particulars	2014-15	2013-14
Payments to the auditor's		
(a) For Statutory Audit	12.75	12.25
(b) For Taxation Matters	2.50	2.50
(c) For Other Services	1.38	1.00
(d) For Reimbursement of Expenses	0.54	0.46
(e) For Service Tax	2.12	2.00
Total	19.29	18.21

28. CURRENT TAX (NET)

(₹ in lacs)

Particulars	2014-15	2013-14
Provision for Income Tax	1,876.00	907.01
Total	1,876.00	907.01

GENERAL NOTES
29. Earnings per Share (EPS) (computed in accordance with Accounting Standard (AS) - 20)

Particulars	31.03.2015	31.03.2014
Profit for the year (₹ in lacs)	3,853.36	2,377.47
Weighted average number of shares outstanding during the year (Nos. in lacs)	109.42	109.42
Earnings per share (Basic/Diluted) (in ₹)	35.22	21.73
Face value per share (in ₹)	10.00	10.00

30. The Subsidiary company considered in the Consolidated Financial Statements is

S.No	Name of the Subsidiary	% of Holdings
1	Idhayam Hospitals Erode Limited	100%

31. Figures have been rounded off to nearest thousands.

32. Contingent Liabilities and Commitments as on closing date

(₹ in lacs)

Particulars	31.03.2015	31.03.2014
Contingent Liabilities :		
a) Letters of Credit for capital equipment's	152.38	315.00
b) Demand of Customs Duty (excluding interest) raised by the authorities disputed and not acknowledged	189.46	189.46
c) Claims of various nature made against the Company not acknowledged as debt	709.20	119.20
Commitments :		
Estimated amount of contracts remaining to be executed on capital account	929.83	5,014.18

33. Other Notes forming part of Accounts :

These are set out in and under "Notes forming part of accounts for the year ended 31st March, 2015" as given in the standalone Financial Statements of Kovai Medical Center and Hospital Limited.

34. Figures of the previous year have been regrouped, reclassified and rearranged wherever necessary to conform to current year's classification.

Signatures to notes 1 to 34

Vide our report of even date attached

For Haribhakti & Co. LLP

Chartered Accountants
Firm Reg. No. 103523W

For and on behalf of the Board of Directors
C.S. SATHYANARAYANAN

Partner
Membership No. 028328

Coimbatore
29.05.2015

Dr. NALLA G PALANISWAMI

Managing Director

CA.A.M. PALANISAMY

Director

CA.P.K. GOPIKRISHNAN

Chief Financial Officer

CS.S.P. CHITTIBABU

Company Secretary

FORM AOC – 1

(Pursuant to first proviso to sub Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiaries
/ Associate Companies / Joint Ventures**

PART - A - SUBSIDIARIES

S. No.	Particulars	Idhayam Hospitals Erode Limited
1	Reporting period	1 st April 2014 to 31 st March 2015
2	Reporting Currency	INR
3	Share Capital	372.44
4	Reserves & Surplus	(310.13)
5	Total Assets	364.27
6	Total Liabilities	364.27
7	Investments	Nil
8	Turnover	50.40
9	Profit before taxation	(16.54)
10	Provision for Taxation	-
11	Profit after Taxation	(16.54)
12	Proposed Dividend	Nil
13	% of shareholding	100%

PART - B - ASSOCIATES AND JOINT VENTURES

**Statement pursuant to Section 129(3) of the Companies Act, 2013 Related to Associate
Companies and Joint Ventures**

"NOT APPLICABLE"



KMCH is a 750 bed Multi-disciplinary Super Speciality Hospital with state of the art facilities

Varian Rapid Arc Trilogy Linear Accelerator, PET CT, 3T MRI, 500 Slice Volume CT Scanner, Bi-plane Cath Lab, Digital Mammography, 4D Ultra Sound Scanner, Cardiac Electrophysiology Lab, Bone Mineral Densitometer and Endo Bronchial Ultra Sound (EBUS).

SUPER SPECIALITY DEPARTMENTS

Interventional Cardiology, Cardio-thoracic Surgery, Comprehensive Cancer Center - (Medical Oncology, Surgical Oncology, Hemato Oncology, Radiation Oncology, Nuclear Medicine), Liver / Bone Marrow / Renal Transplants, Neuro Sciences, Orthopedics & Joint Replacements, Urology / Nephrology, Interventional Radiology & Imaging Sciences, General, Gastrointestinal, Bariatric and Laparoscopic Surgery, Fertility and Reproductive Medicine, Critical Care Medicine, Cosmetic Surgery.

KMCH

THE 1ST

**HOSPITAL
TO SUCCESSFULLY
PERFORM**

**HEART
&
LIVER
TRANSPLANTS**

**IN WESTERN
TAMILNADU**



Kovai Medical Center and Hospital Limited

Excellence in Healthcare

Avanashi Road, Coimbatore - 641 014, Ph : +91 422 4323800 -802, 3083800
Fax : +91 422 2627782, www.kmchhospitals.com (CIN No:L85110TZ1985PLC001659)

KOVAI MEDICAL CENTER AND HOSPITAL

receives the prestigious

Best Multi-Speciality Hospital Award

for the Second Time

from



**INDIA
HEALTHCARE
AWARDS 2014-15**



Shri Shripad Yasso Naik, Hon'ble Union Minister of State for Health & Family Welfare, handing over the award to Dr. Nalla G Palaniswami, Chairman KMCH, Dr. Arun N Palaniswami, Director-Quality Control KMCH & Dr. J. Sivakumaran, COO KMCH, at New Delhi on June 8, 2015.

A fitting recognition in our Silver Jubilee Year



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