

37th Annual REPORT 2022-2023

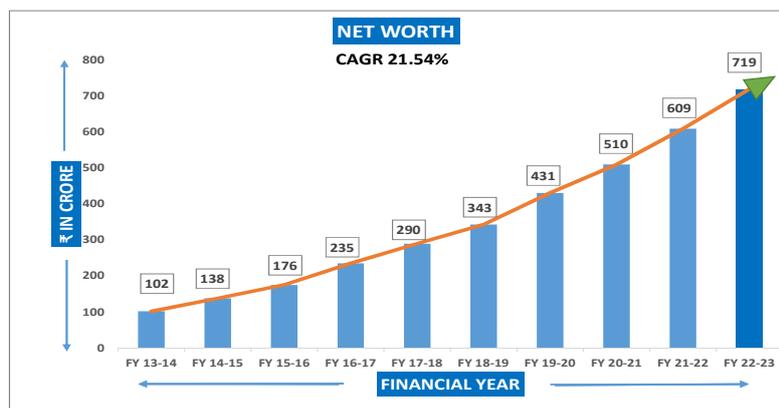
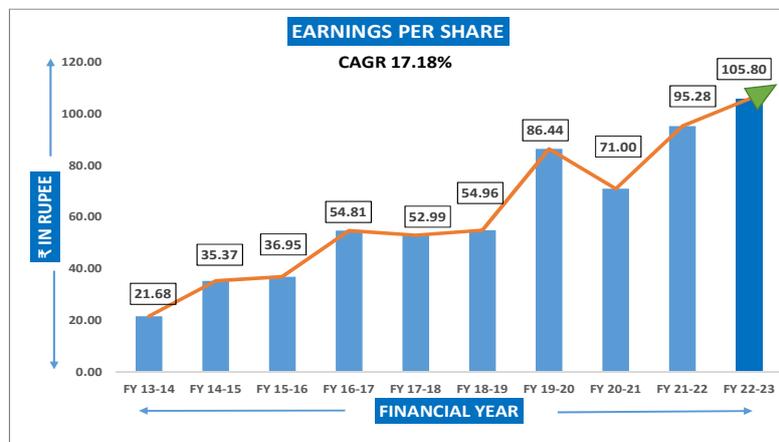
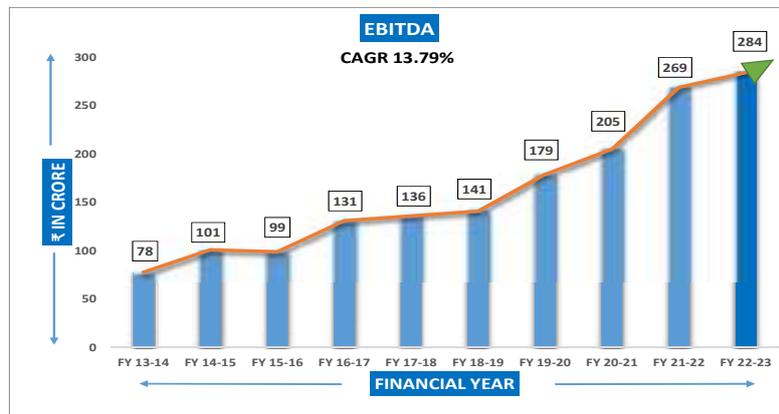
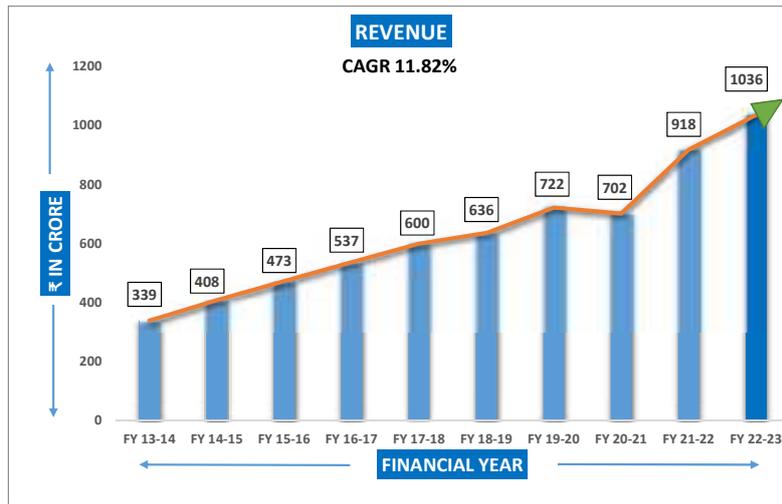


Kovai Medical Center and Hospital Limited

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

Accredited by NABH

MAKING THE IMPOSSIBLE, POSSIBLE





Dr.Nalla G Palaniswami
Managing Director



Dr.Thavamani Devi Palaniswami
Joint Managing Director



Dr.Arun N Palaniswami
Executive Director



Dr.Mohan S Gounder
Non-Independent Director



Dr.M.C.Thirumoorthi
Non-Independent Director



Dr.Purani P Palaniswami
Non-Independent Director



Mr.Kasi K Goundan
Independent Director



Dr.M.Manickam
Independent Director



CA. A.M.Palanisamy
Independent Director



Mr.K.Saminathan
Independent Director



Mrs.R.Bhuvaneshwari
Independent Director



Mr.A.P.Ammasaikutti
Independent Director



Dr.K.Kolandaswamy
Independent Director

CA. P.K.Gopikrishnan

Chief Financial Officer

CS. R.Ponmanikandan

Company Secretary

REGISTERED OFFICE & HOSPITAL COMPLEX

99, Avanashi Road, Coimbatore - 641 014

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

STATUTORY AUDITOR

M/s VKS Aiyer & Co

Chartered Accountants, Coimbatore - 641 011

SECRETARIAL AUDITOR

M/s KSR & Co. Company Secretaries LLP

Coimbatore - 641 018

COST AUDITOR

M/s RKMS & Associates

Coimbatore - 641 004

REGISTRAR & SHARE TRANSFER AGENT

M/s GNSA Infotech Private Limited

STA Department, Nelson Chambers, F-Block,
4th Floor, No.115, Nelson Manickam Road,
Aminjikarai, Chennai - 600 029.

Phone : + 91-44-42962025

Email : sta@gnsaindia.com

BANKERS

Indian Bank

Indian Overseas Bank



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Dear Shareholders,

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

Stay Safe and Healthy.

Dr.Nalla G Palaniswami
Managing Director

NOTICE

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

ORDINARY BUSINESS
Item No. 1 – Adoption of financial statements

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

Item No. 2 – Declaration of dividend

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

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

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

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

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

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

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

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

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

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

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

I. SALARY

₹ 8,00,000/- (Rupees Eight Lakhs only) per month.

[Annual increase in the salary as the Board may decide from time to time, however subject to a ceiling of ₹ 1,00,000/-(Rupees One Lakh only)per month. First increase to be effective from 25th September, 2024 subject to the confirmation of the board of Directors based on the recommendation of the Nomination and Remuneration Committee].

II. COMMISSION

1% (one percent) commission on the net profits of the Company subject to a maximum ceiling specified in Section I of Part II of Schedule V of the Companies Act, 2013.

III. PERQUISITES

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

a. Medical Expenses

Coverage of medical expenses wherever incurred including free treatment in the hospital managed by the Company and personal accident insurance for self and Family members.

b. Leave Travel Concession/Allowance

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

c. Club Fees

Club Fees payable as per the rules of the Company.

d. Car

Use of Company's car with driver.

e. Telephone

Communication facilities at residence.

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

III. Other Benefits

a. Contribution to Provident fund to the extent not taxable under the Income Tax Act.

b. Gratuity at the rate of half month's salary for each completed years of service.

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

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

IV. Overall Remuneration

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

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

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

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Audits) Rules 2014 (including any amendments and statutory modifications thereof, for the time being in force), Mr. V. Sakthivel (Membership No.23292) Partner, M/s RKMS & Associates Cost Accountants, Coimbatore appointed by the Board of Directors of the company on recommendation of Audit Committee to Conduct the Audit of cost records of the Company for the financial year 2023-24 on a remuneration of ₹ 4,75,000/- (Rupees Four Lakhs and Seventy Five Thousand only) Plus GST and out-of-pocket expenses if any for the purpose of audit be and is hereby ratified and confirmed.”

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

Sd/-

**CS R. PONMANIKANDAN
COMPANY SECRETARY**

Place : Coimbatore

Date : 29.05.2023

NOTES

1. In view of the massive outbreak of the COVID-19 situation, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8 & 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 (collectively referred to as “MCA Circulars”) permitted holding of the Annual General Meeting (“AGM”) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being conducted through VC / OAVM.
2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. In compliance with the aforesaid MCA Circulars and SEBI Circulars dated May 12, 2020, January 15, 2021, May 13, 2022, December 31, 2022 and January 05, 2023 Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company, RTA or CDSL / NSDL (“Depositories”). Members may note that the Notice and Annual Report 2022-23 will also be available on the Company’s website www.kmchhospitals.com and BSE Limited website at www.bseindia.com.
4. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The statement of material facts pursuant to Section 102 (1) of the Companies Act, 2013 in respect of Item No.4,5,6 & 7 of the Notice is annexed hereto.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 5th May, 2020, 13th January 2021, 8th December, 2021, 14th December, 2021, 5th May, 2022 and 28th December, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting at the time of the AGM will be provided by NSDL.
7. The Members can join the AGM in the VC / OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation

at the AGM through VC / OAVM will be made available for 1,000 members on a first come first served basis as per the MCA Circular. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The Members will be able to view the proceedings on National Securities Depository Limited (NSDL) e-voting website at www.evoting.nsdl.com.

8. Pursuant to the provisions of Section 91 of the Companies Act 2013, the Register of members and Share Transfer Books of the Company will remain closed from Saturday, 12th August, 2023 to Friday, 25th August, 2023 (both days inclusive) in connection with the 37th Annual General Meeting.
9. Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a Company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already transferred shares in respect of which dividend declared for the financial year 2014-15 or earlier financial years has not been paid or claimed by the members for 7 (seven) consecutive years or more.
10. The Company has transferred the unpaid or unclaimed dividends declared up to the Financial Year 2014-15, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The details of the same are available on the website of the Company and the same can be accessed through the link: <https://kmchhospitals.com/wp-content/uploads/2023/06/Dividend-transferred-to-IEPf-during2022-23.pdf>. The said uploaded details are available on the website of the Ministry of Corporate Affairs and can be accessed through the link: <http://www.mca.gov.in>.
11. Those Shareholders who have so far not claimed or collected their dividend upto the Financial Year 2014-15 may claim their dividend as per Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
12. Pursuant to the amendments in the Income Tax Act, dividend income is taxable in the hands of the members effective from April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961.
13. Members holding shares in physical form are requested to intimate the following directly to the company's Registrar and Share Transfer Agent, M/s GNSA Infotech Private Limited, STA Department, Nelson Chambers, F-Block, 4th Floor, No.115, Nelson Manickam Road, Aminjikarai, Chennai - 600 029.
 - a) Bank mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
 - b) Changes, if any, in their address at an early date along with proof for address change.
 - c) Application for consolidation of folios, if shareholdings are under multiple folios.
 - d) Despatch of share certificates for consolidation.
 - e) Request for nomination forms for making nominations as per amended provisions of the Companies Act, 2013.
 - f) Members are requested to quote ledger folio numbers in all their correspondences.
 - g) Residential status, PAN and Category as per Income Tax Act.
14. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, has mandated furnishing of PAN, Address with pincode, email address, mobile number, bank account details, specimen signature and nomination by holders of physical securities. Folios wherein any one of the cited documents/details are not available on or after October 01, 2023, shall be frozen by the Registrar and Transfer Agent of the Company.
15. Members holding shares in dematerialised form (electronic form) are requested to intimate any change in their address, bank mandate, Residential Status, PAN, category as per Income Tax Act etc. directly to their respective Depository Participants.

16. 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 Private Limited, Chennai.
17. Soft copies of the Register of Directors and Key Managerial Personnel and their shareholding are maintained under Section 170 of the Act and the Register of contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act will be available for inspection electronically by the members during the AGM.
18. Members are requested to note that the Company's shares are under compulsory demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid any inconvenience.
19. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
20. Pursuant to the requirements of Corporate Governance under SEBI (LODR) Regulations, 2015, the brief resume of the Director proposed to be re-appointed, nature of his expertise in specific functional areas, name of the company in which he holds directorship and membership/chairmanship of Board/Committees, shareholding and relationships between Directors inter-se, are provided in the Notice forming part of the Annual Report.
21. The Results shall be declared within 48 hours after the close of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be displayed on the Company's website www.kmchhospitals.com and on the website of NSDL within the aforesaid period and communicated to BSE Limited where the shares of the Company are listed.

22. Voting through electronic means

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

- a) The remote e-voting period commences on 22.08.2023 (9.00 am) and ends on 24.08.2023 (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 18.08.2023 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- b) Dr.C.V.Madhusudhanan, Practising Company Secretary (Membership No. FCS 5367; CP 4408) or failing him Dr.K.S.Ravichandran, Practising Company Secretary (Membership No. FCS 3675; CP 2160) Partners of M/s KSR & Co Company Secretaries LLP, Coimbatore have been appointed as the Scrutinizer to scrutinize the e-voting process (including remote e-voting of members at the AGM) in a fair and transparent manner.
- c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- d) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 18.08.2023.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 22.08.2023 (Tuesday) at 09.00 A.M. and ends on 24.08.2023 (Thursday) at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names

appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 18.08.2023(Friday), may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 18.08.2023(Friday).

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;">  </div> |

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL E-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12***** |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12***** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’
 - ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.
How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to madhu@ksrandco.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. 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 download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to at evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to sta@gnsaindia.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to sta@gnsaindia.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. E-voting facility for voting at the AGM will be available from the start of the AGM and up to 15 minutes after the conclusion of the AGM.
5. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / Folio number, PAN, mobile number at secretarialdept@kmchhospitals.com on or before 5.00 p.m. IST on 18th August 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The same will be replied by the company suitably.
6. Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting following the procedure mentioned in the Notice.
7. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in /1800-222-990.

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

Place : Coimbatore
Date : 29.05.2023

**Sd/-
CS R. PONMANIKANDAN
COMPANY SECRETARY**

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013 ANNEXED HERETO AND FORMS PART OF THE NOTICE DATED 29.05.2023
Item No. 4 – Re-Appointment of M/s. VKS Aiyer & Co, as statutory auditors of the Company

M/s VKS Aiyer & Co., Chartered Accountants (FRN: 000066S) were appointed as statutory auditors of the Company at the 32nd AGM held on 6th August, 2018 to hold office from the conclusion of the said meeting till the conclusion of the 37th AGM to be held in the year 2023. In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as statutory auditors for not more than two (2) terms of five (5) consecutive years. M/s VKS Aiyer & Co., is eligible for reappointment for a further period of five years. Based on the recommendations of the audit committee, the Board of Directors, at its meeting held on May 29, 2023, approved the reappointment of M/s VKS Aiyer & Co., as the statutory auditors of the Company to hold office for a second term of five consecutive years from the conclusion of the 37th AGM until the conclusion of the 42nd AGM to be held in the year 2028. The reappointment is subject to approval of the shareholders of the Company. The Remuneration may be determined by the Board of Directors of the Company.

The Board of Directors and the audit committee shall approve revisions to the remuneration of the statutory auditors for the remaining part of the tenure.

The Board of Directors, in consultation with the audit committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

Considering the evaluation of the past performance, experience and expertise of M/s VKS Aiyer & Co and based on the recommendation of the audit committee, it is proposed to appoint M/s VKS Aiyer & Co as statutory auditors of the Company for a second term of five consecutive years till the conclusion of the 42nd AGM of the Company in terms of the aforesaid provisions.

The Board recommends this resolution set out in Item No.4 for the approval of members.

Item No. 5 Re-appointment of Executive Director of the Company.

The members of the Company at their Annual General Meeting of the Company held on 6th August, 2018 had appointed Dr. Arun N Palaniswami as Executive Director for a period upto 24th September, 2023. The Board in its meeting held on 29th May, 2023 had resolved to re-appoint Dr. Arun N Palaniswami as Executive Director for a period of five years with effect from 25th September, 2023. The Nomination and Remuneration Committee in its meeting held on 29th May, 2023 had also recommended the re-appointment and payment of remuneration to Dr. Arun N Palaniswami for a period of five years subject to the approval of members.

Dr. Arun N Palaniswami MBBS, MD - Internal Medicine is a specialist in Internal Medicine and was practicing medicine in USA for Nine years. With his 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. Keeping in view his qualification and experience the Nomination and Remuneration Committee had recommended for his reappointment and fixed remuneration and other terms and conditions at its meeting held on 29th May, 2023.

The proposed re-appointment of Dr. Arun N Palaniswami as Executive Director and the payment of remuneration are in conformity with Section 197 and Schedule V of the Companies Act, 2013. The terms and conditions of the re-appointment and payment of remuneration are subject to the approval of the Shareholders in General Meeting.

In terms of Article 103(b) of the Articles of Association of the Company, Dr. Arun N Palaniswami is liable to retire by rotation.

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

The Board recommends this resolution set out in Item No.5 for the approval of the members.

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

In terms of provisions of Section 188(1)(f) of the Companies Act, 2013 read with Rules framed there under and the Policy on Related Party Transactions, for entering into related party transactions as prescribed there under, the Company is required to obtain approval of the Audit Committee of the Board and where such transactions are not at arm's length and / or not in the ordinary course of business. It also provides that where the related party transactions exceed the threshold prescribed under Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014 read with first proviso to Section 188(1)(f) of the Companies Act, 2013, or do not meet the criteria mentioned therein, prior approval of the Shareholders will be required.

Dr.K.S.K.Murugaiyan is the brother of Dr. Thavamani Devi Palaniswami (Joint Managing Director) was appointed as Medical Consultant and hence deemed to be holding a place of profit under section 188(1)(f) read with Rule 15 of the Companies (Meeting of the Board and its Powers) Rules, 2014. Considering the efficient service of Dr.K.S.K.Murugaiyan, it is now proposed to increase the consultation fee subject to a maximum limit of ₹ 4,00,000/- (Rupees Four Lakhs only) per month. As the increase in the monthly consultation fee payable exceed the threshold limit prescribed under the Act, requires approval of the shareholders by an ordinary resolution.

The Nomination and Remuneration Committee and Audit Committee at their meetings held on 29th May, 2023 recommended the enhancement consultation fee payable to Dr.K.S.K.Murugaiyan.

It is hereby clarified that the increase in limit of payment of consultation fee to Dr.K.S.K.Murugaiyan does not exceed 10% the annual turnover of the company and hence the proposed transaction is not a material related party transaction requiring compliance of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, the consent of the members is sought for passing an ordinary resolution set out in Item No.6 of the notice for enhancement of consultancy charges payable to Dr.K.S.K.Murugaiyan, Consultant of the Company. The said transaction is not a material related party transaction within the meaning of Explanation to Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Except Dr.Thavamani Devi Palaniswami, Joint Managing Director none of the Directors, Key Managerial Personnel of the company/ their relatives are concerned or interested in the Resolution.

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

Item No: 7 Re-appointment of Cost Auditor for the Company and fixing their Remuneration.

In view of the revised Cost Audit Rules as part of the 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 had approved the re-appointment of Mr.V.Sakthivel (Membership No.23292) Partner, M/s RKMS & Associates, Cost Accountants, Coimbatore as Cost Auditor to conduct audit of cost records of the company for the financial year ending 31st March, 2024 and fixed his remuneration as ₹ 4,75,000/- (Rupees Four Lakhs and Seventy Five Thousand only) plus GST and reimbursement of out-of-pocket expenses.

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, 2024 has to be ratified by the shareholders.

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 in Item No.7 of the notice.

The Board recommends this resolution set out in Item No.7 for the approval of the members.

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

**Sd/-
CS R. PONMANIKANDAN
COMPANY SECRETARY**

Place : Coimbatore
Date : 29.05.2023

ANNEXURE

The details of Director seeking re-appointment in the forthcoming Annual General Meeting as per Regulation 36(3) of SEBI (LODR) Regulations, 2015 are as follows:

(Refer Item No.3 & 5 of the Notice)

| | |
|--|--|
| Name of the Director | Dr.Arun N Palaniswami |
| Director Identification Number (DIN) | 02706099 |
| Date of Birth | 03.08.1979 |
| Date of Appointment on the Board | 25.09.2015 |
| Qualifications | MBBS, MD - Internal Medicine |
| Expertise | Hospital Operations, Quality Function including accreditations – NABH etc |
| Brief Resume | 17 Years of Experience. Was practicing medicine in USA for 9 years. Insight into operations of various healthcare facilities across United States. Worked in Hospital Administration as Director of Quality Control in KMCH for last 8 years |
| Relationship between Directors Inter-se | Son of Dr.Nalla G Palaniswami & Dr.Thavamani Devi Palaniswami, Brother of Dr.Mohan S Gounder & Dr.Purani P Palaniswami. |
| Directorship held in other Public Companies (excluding foreign, private and Section 8 Companies) | Nil |
| Names of listed entities in which the person also holds the Directorship and the membership of Committees of the Board | Nil |
| Shareholding in the company (as on 31.03.2023) | 10,000 |

Dear Members,

Your Directors take pleasure in presenting the Thirty Seventh Annual Report along with the audited financial statements for the year ended 31st March, 2023.

FINANCIAL HIGHLIGHTS

| Particulars | (₹ in lakhs) | |
|---|-------------------|------------------|
| | 2022-23 | 2021-22 |
| Revenue from Operations | 101,974.68 | 90,532.67 |
| Other Income | 1,598.77 | 1,249.53 |
| Total Income | 103,573.45 | 91,782.20 |
| Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA) | 28,450.10 | 26,933.66 |
| Profit Before Taxation (PBT) | 15,521.99 | 14,067.83 |
| Provision for Taxation | 3,945.38 | 3,641.77 |
| Profit After Taxation (PAT) | 11,576.61 | 10,426.06 |
| Add: Other Comprehensive Income | 53.48 | (166.75) |
| Total Comprehensive Income for the year | 11,630.09 | 10,259.31 |

RESULTS OF OPERATIONS

The Revenue from Operations for the financial year 2022-23 was ₹ 101,974.68 Lakhs registering an increase of 12.64% over the previous year income of ₹ 90,532.67 Lakhs. Earnings before interest, tax, depreciation and amortization (EBITDA) were ₹ 28,450.10 Lakhs over the previous year EBITDA of ₹ 26,933.66 Lakhs. Profit after tax (PAT) for the year was ₹ 11,576.61 Lakhs over the PAT of ₹ 10,426.06 Lakhs in year 2021-22.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Company does not have any Subsidiary Company, Joint Venture or Associate Companies as defined in the Companies Act, 2013.

DIVIDEND

Based on company's performance, the Board of Directors are pleased to recommend a dividend of ₹ 10/- per share (100%) – (Final Dividend ₹ 5/- per share and Special Dividend ₹ 5/- per share) for the Financial Year 2022-23 for approval of the members. The dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 1,094.23 Lakhs.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of the Shareholder with effect from 1st April, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, Shareholders are requested to refer the Finance Act, 2020, relevant circulars and amendments thereof, if any.

Further in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Dividend Distribution Policy of the Company is available on the website of the Company at the link: <https://www.kmchhospitals.com/Policy/DD Policy.pdf>.

TRANSFER TO RESERVES

The Company does not propose to transfer any amount out of the profit to reserves.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, there were no changes in the nature of business of the Company.

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.

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 their attendance thereto have been provided under an identical head in the Corporate Governance Report.

CSR COMMITTEE

The composition of CSR Committee, number of meetings held and their attendance thereto have been provided under an identical head in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITIES

During the year under review in pursuance of the recommendations of the CSR Committee, the Company had commitment of ₹ 243.72 Lakhs being 2% of the last three years' average net profit of the Company towards implementing the CSR activities. Annual Report on CSR as required under Section 135 read with schedule VII and other applicable provisions of the Companies Act, 2013 is appended as "Annexure - III" to this report.

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 SEBI (LODR) Regulations, 2015.

SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2023 aggregates to ₹ 1,094.23 lakhs comprising of 1,09,42,262 equity shares of ₹ 10/- each fully paid up. There is no change in the paid-up share capital of the Company during the Financial Year 2022-23.

CREDIT RATING

CARE Ratings Limited have re-affirmed your Company's Long term bank facilities as 'CARE A+' (single A+) and short term bank facilities as 'CARE A1+' (A One plus).

HOSPITAL ACCREDITATION

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

BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI (LODR) Regulations 2015, 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 Board of Directors have expressed their satisfaction with the outcome of the evaluation process. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to the requirement of SEBI (LODR) Regulations 2015, the 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 and the same is uploaded on the Company's website at https://www.kmchhospitals.com/Policy/FP_ID.pdf.

DIRECTORS

As per Article 103(b) of the Articles of Association and Section 152(6) of the Companies Act, 2013, except Dr. Nalla G Palaniswami and Dr. Thavamani Devi Palaniswami, all other Executive and Non-Executive Non-Independent Directors are subject to retirement by rotation. Accordingly, Dr. Arun N Palaniswami, Director retires by rotation and being eligible has offered himself for re-appointment.

INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board indicating that they comply with all the requirements that are stipulated in Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 so as to qualify themselves to act as Independent Directors in the company. Further they have also declared that they are not aware of any circumstance or situation which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective and independent judgement and without any external influence.

The Independent Directors of the Company have complied with the requirements of the provisions in relation to Independent Directors Databank as stated in the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time.

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).

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 judgments 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 the 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 and
- e) The Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- 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.

ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link: <https://kmchhospitals.com/wp-content/uploads/2023/06/Annual-return-2023.pdf>

COMPLIANCE OF CODE OF CONDUCT

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulation 2018 dated 31st December 2018, the Company amended the "Code of Conduct for Insider Trading" and "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information". Consequently, the Board of Directors brought in all the corresponding amendments to the above two mentioned Codes and necessary disclosures have been made in our website under: <http://www.kmchhospitals.com/Policy/COC.pdf>

INSURANCE

The Company's properties, equipment and stocks are adequately insured against all major risks. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The disclosure under this clause is not applicable as the Company has not undertaken any one-time settlement with the banks or financial institutions during the year under review.

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. Arun N Palaniswami, Executive Director, CA. P.K. Gopikrishnan, Chief Financial Officer and CS R.Ponmanikandan, Company Secretary.

CA M.K.Ravindra Kumar, Chief Financial Officer resigned from the services of the Company with effect from 03/10/2022 and CA P.K.Gopikrishnan joined the Company as Chief Financial Officer with effect from 11/11/2022.

CS S.P.Chitti Babu, Company Secretary resigned from the services of the Company with effect from 21/11/2022 and CS R.Ponmanikandan joined the Company as Company Secretary with effect from 22/11/2022.

APPOINTMENT AND REMUNERATION CRITERIA OF KEY MANAGERIAL PERSONNEL

The appointment of Key Managerial Personnel and remuneration paid to Managing Directors or Executive Directors is within the purview of the provisions of Section 196 and 197 of the Companies Act, 2013. The Company pays remuneration by way of salary, perquisites etc., to its Managing Directors and Executive Director in line with the approvals accorded by the General Meetings and in pursuance of the recommendation of the Nomination and Remuneration Committee as per the guiding principles laid down in the Nomination and Remuneration Policy. The Nomination and Remuneration Policy of the Company is available on the website of the Company at the link :-

https://kmchhospitals.com/wpcontent/uploads/2016/pdf/Nomination_Remuneration_&_Evaluation_Policy.pdf

PARTICULARS OF EMPLOYEES

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 employees of the company will be provided upon request.

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) Rules, 2014, are as under:

Energy Conservation

Energy conservation means the efforts made to reduce the consumption of energy by using less of an energy service. Your Company constantly and continuously applies all efforts for optimum utilization of the resources.

Energy consumption is monitored through Energy Management System. Through this system, areas which consume high volume of electricity are monitored and alternate steps are being constantly taken to optimize energy utilization.

Other energy conservation techniques that are employed include using equipment with 5 star ratings, use of movement sensors in bathrooms of the patient rooms (i.e., the lights are operated based upon human movement), operating a centralized A/c plant and phasing out tube lights with LED lights.

Your Company adopts the concept of 'Sustainable Development' i.e. meeting the needs of the present without compromising the ability of future generations to meet their own needs. By following this concept, your Company has been operating a 5.25 MW Solar Power Generation Plant and Wind Mills which caters to 75% of electricity requirement per annum and through which the Company has been saving 40% on its electricity bills.

Caring for the Environment

Your Company adopts the concept of zero discharge technology, under which an effluent treatment plant had been set up and the sewage water is treated for toxic effluents. The treated water is used for horticulture within the premises. A comprehensive waste management system has been implemented and through this, bio-degradable food wastes are decomposed and biogas is produced for captive consumption in the hospital canteen which in turn results in reduced LPG cost.

All the vehicles that are operated for the company adhere to pollution control regulations. Periodic maintenance activities are undertaken to comply with prescribed regulations and vehicle efficiency.

Technology Absorption

Your company has continued to invest in new technologies. During the year 2022-23, the Company introduced advanced

functional MR brain imaging study (Clinical fMRI neuroimaging services).

Functional MRI (fMRI) has special significance when a tumor is removed or surgical treatment for epilepsy is offered. Neuro navigation system allowing extremely precise surgery where the pathology is treated without any vital area being touched. Standard imaging like MRI and CT cannot accurately pickup these areas and thus a surgery can leave a patient paralyzed if an important area is injured.

To overcome this problem, advanced computers can be incorporated into a regular MRI system where these vital areas can be clearly demarcated when we stimulate that part of the body during an MRI scan.

Investment in medical equipment during the year 2022-23 amounts to ₹ 1,957.41 Lakhs

Foreign Exchange Earnings & Outgo

(i) Earnings in Foreign Currency

Foreign Currency amount realized from NRE bank accounts in respect of fee for education during the year ended March 31, 2023: ₹ 588.06 Lakhs (Previous Year: 459.00 Lakhs)

(ii) Expenditure in Foreign Currency

Expenditure in foreign currency during the year ended March 31, 2023 was ₹ 65.29 Lakhs (Previous Year: 69.86Lakhs).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013

As on March 31, 2023, the Company has neither provided nor there were any outstanding loans or guarantees covered under the provisions of Section 186 of the Companies Act, 2013. The details of Investments covered under the provisions of Section 186 of the Act are given in Note No.6 to the financial statements.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

KMCH has an Internal Control System, commensurate with the size, scale and complexity of its operations. Your Company has a proper and adequate system of internal controls. These controls ensure transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

In addition, there are operational controls, covering the entire spectrum of internal financial controls.

The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. A detailed program of internal audits and management review, supplements the process of internal financial control framework.

To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. The internal auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions proposed to fix the observations are presented to the Audit Committee of the Board.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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. During the Financial Year, no complaints or concerns were received by the Chairman of the Audit Committee under the Vigil Mechanism.

Vigil Mechanism and Whistle Blower Policy is available in the Company's website:

https://kmchhospitals.com/wp-content/uploads/2016/pdf/Whistle_Blower_Policy.pdf

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (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 work place (Prevention, Prohibition and Redressal) Act 2013. An Internal Complaint Committee has been set up to redress complaints received regarding sexual harassment. During the year 2022-23, no complaints were received by the Company related to sexual harassment.

RELATED PARTY TRANSACTIONS AND POLICY ON RELATED PARTY TRANSACTIONS

All transactions with Related Parties are at arm's length and in the ordinary course of business duly approved by the Audit Committee of the Board. Hence there are no transactions which are either not in arm's length or which are material in nature requiring disclosure in Form AOC - 2 is annexed herewith as "Annexure - II" forming part of the report.

The details of related party transactions during financial year 2022-23, including transactions with person or entity belonging to the Promoter/Promoter Group which holds 10% or more shareholding in the Company are provided in the accompanying financial statements.

The Board has formulated Policy on Related Party Transactions and the same is uploaded on the Company's website at http://www.kmchhospitals.com/Policy/RPT_Policy.pdf

RISK MANAGEMENT

The steps taken by the Company to mitigate the risk are disclosed under an identical head in the Management Discussion and Analysis forming part of Directors' Report.

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.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR

No applications have been made against the Company during the year under review and no proceeding are pending against the Company under the Insolvency and Bankruptcy Code, 2016. The Company has not done any one time settlement with any Bank or Financial Institutions.

HUMAN RESOURCE DEVELOPMENT

Your Company continues to place great importance to the development of human resources segment and the sustained focus on retention through employee engagement initiatives has made the employees realize their potential. Learning and Development has provided various learning platforms which include classroom and online self - learning modules to meet the development need of employees to help build their skills, knowledge and capability.

The total strength of the employees of the Company as on 31st March, 2023 was 5399.

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 or its members during the year. Hence No deposit is outstanding as on 31st March, 2023.

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 2022-23. Secretarial Audit Report is annexed herewith as "Annexure - IV" forming part of the report.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards notified under Section 118 of the Companies Act, 2013.

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, Coimbatore was appointed as Cost Auditor of the company by the Board on recommendation of Audit Committee for the Financial Year 2022-23. The report of the cost auditors will be filed with ROC on due date.

STATUTORY AUDITORS

The Statutory Auditor has issued an unmodified opinion on the Financial Statements of the Company as of and for the year ended 31st March 2023. Their report on the Companies (Auditor's Report) Order, 2020 ("CARO"), issued by the Central Government of India in terms of section 143(11) of the Act, details one qualifications regarding the following:

a) Non-Registration of Lease Agreements

Management Response : All Lease Agreements with more than 11 months' tenor, require registration with Department of Revenue, Ministry of Commercial Taxes and Registration, Government of Tamil Nadu. The Company is in the process of registering all Lease Agreements and will be completed shortly.

Under Section 139(2) of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years and each such term would require approval of the shareholders. In line with the requirements of the Companies Act, 2013, Statutory Auditor M/s VKS Aiyer & Co., Chartered Accountants (FRN: 000066S) were appointed as Statutory Auditor of the Company at the 32nd Annual General Meeting to hold office from the conclusion of the said meeting till the conclusion of the 37th Annual General Meeting to be held in the year 2023. The term of office of M/s VKS Aiyer & Co., as Statutory Auditors of the Company will conclude from the close of the forthcoming AGM of the Company.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on May 29, 2023, proposed to reappoint M/s. VKS Aiyer & Co., Chartered Accountants (FRN: 000066S) as the Statutory Auditor of the Company to hold office for a second term of five consecutive years from Financial year 2023-24 to 2027-28 and to hold office from the conclusion of the 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting subject to the approval of the shareholders.

Accordingly a suitable resolution is moved in the notice convening the 37th Annual General Meeting to be held on August 25, 2023.

LISTING WITH STOCK EXCHANGE

The equity shares of the Company are listed on BSE Limited and listing fees were paid upto date.

CORPORATE GOVERNANCE

Your Company has been complying with the provisions of Corporate Governance as stipulated in Chapter IV and other relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate report on Corporate Governance along with Practicing Company Secretary's certificate on compliance of the Corporate Governance norms as stipulated in Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Management Discussion & Analysis forming part of this report are provided elsewhere in this Annual Report.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

A Business Responsibility And Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective, as required in terms of the provisions of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 annexed separately forms part of this Annual Report.

ACKNOWLEDGEMENTS

The Board expresses its grateful appreciation for the continued support 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

Sd/-
DR. NALLA G PALANISWAMI
MANAGING DIRECTOR
DIN: 00013536

Sd/-
CA.A.M.PALANISAMY
DIRECTOR
DIN: 00112303

Place: Coimbatore
 Date : 29.05.2023

ANNEXURE - I
PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- a) The ratio of remuneration of each Director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

| Name of the Director | Title | % Increase Over Previous Year | Ratio of Remuneration to MRE* |
|-------------------------------|-------------------------|-------------------------------|-------------------------------|
| Dr. Nalla G Palaniswami | Managing Director | 9.71 | 176.97 |
| Dr.Thavamani Devi Palaniswami | Joint Managing Director | 8.69 | 171.91 |
| Dr.Arun N Palaniswami | Executive Director | 10.10 | 96.25 |

*Median Remuneration to Employees

- b) Remuneration paid to Non-Executive Directors:

- For this purpose, sitting fees paid to Directors have not been considered as remuneration.
- During the year, Non-Executive Directors were paid only Sitting Fees as remuneration

- c) Remuneration paid to other Key Managerial Personnel (KMP):

| S. No. | Name of the KMP | Title | % Increase Over Previous Year |
|--------|----------------------|-------------------------|-------------------------------|
| 1 | CA.P.K.Gopikrishnan* | Chief Financial Officer | Not applicable |
| 2 | CS.R.Ponmanikandan# | Company Secretary | Not applicable |

*Employed W.E.F 11.11.2022

Employed W.E.F 22.11.2022

- d) The percentage increase / (decrease) in the median remuneration of employees in the financial year: 7.60%.
- e) Number of permanent employees on the rolls of the Company: 5399
- f) 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:
- The average percentile increase in salaries to employees other than managerial personnel is 7.60%.
 - The percentile increase granted to managerial personnel is 9.40%.
- g) We affirm that the remuneration paid to Directors, Key Managerial Personnel and Employees is as per the remuneration policy framed by Nomination and Remuneration Committee and approved by the Board of Directors of the Company.
- h) Statement of Employees receiving remuneration not less than Rupees Eight Lakhs Fifty Thousand per month:

(₹ In lakhs)

| Name | Dr. Nalla G Palaniswami | Dr. Thavamani Devi Palaniswami | Dr. Arun N Palaniswami | Dr. R. Ravikumar * |
|----------------------------|---|--|--|---|
| Designation | Managing Director | Joint Managing Director | Executive Director | Dean - KMCH IHSR |
| Gross Remuneration | 454.82 | 441.82 | 247.36 | 86.13 |
| Qualification & Experience | MBBS, MD AB (USA) Over 54 Years of experience | MBBS, AB (USA) Over 46 Years of experience | MBBS, MD (Internal Medicine) Over 17 Years of experience | MBBS, MD (Radio-Diagnosis) Over 16 Years of experience. |
| Age in Years | 81 | 75 | 43 | 61 |

| Name | Dr. Nalla G Palaniswami | Dr. Thavamani Devi Palaniswami | Dr. Arun N Palaniswami | Dr. R. Ravikumar * |
|------------------------------------|--|---|--|---|
| Date of Commencement of Employment | 01 st October 1989 | 29 th July 2000 | 25 th September 2015 | 13 th July 2022 |
| Last Employment | Hypertension, Obesity and Risk Factor Clinic, Wayne State University, Detroit, USA | Consultant in Paediatric and Adolescence, City Clinic, Detroit, USA | Consultant in Internal Medicine in Hawaii, USA | Major General, Armed Forces Medical College, Pune |

* Employed W.E.F. 13.07.2022

Notes of Equity Shares held/Relationship :

- Dr. Nalla G Palaniswami, Dr. Thavamani Devi Palaniswami & Dr. Arun N Palaniswami are related to each other. Dr. Thavamani Devi Palaniswami is Dr. Nalla G Palaniswami's wife. Dr. Arun N. Palaniswami is the son of Dr. Nalla G Palaniswami and Dr. Thavamani Devi Palaniswami.
- Dr. Thavamani Devi Palaniswami owns more than 2% of the equity shares of the Company as on 31st March 2023.
- Gross remuneration comprises salary, commission, allowances, monetary value of perquisites.

For and on behalf of the Board

Place: Coimbatore
Date : 29.05.2023

Sd/-
DR. NALLA G PALANISWAMI
MANAGING DIRECTOR
DIN: 00013536

Sd/-
CA.A.M.PALANISAMY
DIRECTOR
DIN: 00112303

ANNEXURE II

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 thereto

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2023, which were not at arm's length basis.

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

There were no material contracts or arrangements or transactions entered into during the year ended March 31, 2023.

For and on behalf of the Board

Place: Coimbatore
Date : 29.05.2023

Sd/-
DR. NALLA G PALANISWAMI
MANAGING DIRECTOR
DIN: 00013536

Sd/-
CA.A.M.PALANISAMY
DIRECTOR
DIN: 00112303

ANNEXURE - III
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23
1. Brief outline on CSR Policy of the Company

The CSR Policy of the Company is reflective of its long beliefs and commitment towards community and social development. During the year, the company initiated sanitation programmes and providing infrastructure facilities to the educational institution under the head promotion of education in line with CSR policy of the company and within the purview of Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

| S.No | Name of the Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|------|-------------------------------|--------------------------------------|--|--|
| 1 | Dr.Nalla G Palaniswami | Chairman | 3 | 3 |
| 2 | Dr.Thavamani Devi Palaniswami | Member | 3 | 3 |
| 3 | Mr.K.Saminathan | Member | 3 | 3 |
| 4 | Mrs. R. Bhuvaneshwari | Member | 3 | 2 |
| 5 | Mr.A.P.Ammasaikutti | Member | 3 | 3 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://kmchhospitals.com/wp-content/uploads/2016/pdf/CSR_Policy.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. (a) Average net profit of the company as per section 135 (5) : ₹ 12,185.98 Lakhs

(b) Two percent of average net profit of the company as per section 135(5) : ₹ 243.72 Lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

(d) Amount required to be set off for the financial year, if any : Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 243.72 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 18.96 Lakhs

(b) Amount spent in Administrative Overheads : Nil

(c) Amount spent on Impact Assessment, if applicable : Not Applicable

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 18.96 Lakhs

e. CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent | | | | |
|--|---|------------------|--|-------------|--|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount in ₹ | Date of transfer | Name of the Fund | Amount in ₹ | Date of transfer |
| 18,95,665 | 13,29,300 | 12.04.2023 | Prime Minister's National relief fund | 2,11,47,000 | on or before 30 th September,2023 |

(f) Excess amount for set off, if any

| S. No. | Particular | Amount in ₹ |
|--------|---|-------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 2,43,71,958 |
| (ii) | Total amount spent for the Financial Year | 18,95,665 |
| (iii) | Excess amount spent for the financial year ((ii)-(i)) | Nil |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years ((iii)-(iv)) | Nil |

7) Details of Unspent CSR amount for the preceding three financial years:

| S. No | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Balance amount in unspent CSR amount under section 135(6) (in ₹) | Amount spent in the Financial Year (in ₹) | Amount transferred to a fund as specified under Schedule VII as per section 135(5), if any | | Amount remaining to be spent in succeeding financial years (in ₹) | Deficiency, if any |
|-------|-----------------------------|--|--|---|--|------------------|---|--------------------|
| | | | | | Amount (in ₹) | Date of transfer | | |
| 1 | FY-1 | 68,34,852 | - | 68,34,852 | Nil | | Nil | Nil |

8) Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

If Yes, enter the number of Capital assets created / acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|----------------|---|-------------------------------------|------------------|----------------------------|---|------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| NOT APPLICABLE | | | | | | | |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

During the year, ₹ 2,11,47,000/- remains unspent due to non- allocation to CSR Projects. There was a delay in confirmation of CSR Projects by third party CSR implementing agencies and hence the amount will be transferred to Prime Minister's National Relief fund on or before 30th September, 2023 as provided under the CSR Rules.

For and on behalf of the Board

Sd/-

DR. NALLA G PALANISWAMI
MANAGING DIRECTOR
DIN: 00013536

Sd/-

CA.A.M.PALANISAMY
DIRECTOR
DIN: 00112303

Place: Coimbatore

Date : 29.05.2023

ANNEXURE – IV
SECRETARIAL AUDIT REPORT

To
The Members
Kovai Medical Center and Hospital Limited
99, 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 had conducted our audit by examining various records and documents including minutes, registers, certificates and other records received through electronic mode as enabled by the company. We state that we have not done a physical verification of the original documents and records. The management has confirmed that the records provided to us for audit through electronic mode are final, true and correct.
3. Further, our audit report is limited to the verification and reporting of the statutory compliances on laws / regulations / guidelines listed in our report and the same pertain to the Financial year ended on 31st March, 2023.
4. 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, we followed provide a reasonable basis for our opinion.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
6. 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. Further, compliance of Act, Regulations, Directions listed under Para (vi) of the report is limited to the Company obtaining necessary permissions, approvals and licenses for conduct of the relevant business or trade stated therein.
7. 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

Sd/-

Dr.C.V.Madhusudhanan
Partner

(FCS: 5367; CP: 4408)

UDIN: F005367E000409892

PR No. 2635/2022

Place: Coimbatore
Date : 29.05.2023

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, 2023**

To
The Members,
Kovai Medical Center and Hospital Limited,
99, 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 (CIN L85110TZ1985PLC001659)** (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March, 2023 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, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations framed there under.
- (iv) 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.

(v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

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

- (i) Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.
- (ii) Issue of securities including debt instruments or securities.
- (iii) Buy-back of securities.
- (iv) Delisting of securities
- (v) Issue of Employee Stock Options

(vi) The following laws, regulations, directions, orders applicable specifically to the Company:

- a. The Medical Termination of Pregnancy Act, 1971
- b. The Medical Termination of Pregnancy Rules, 1975
- c. The Medical Termination of Pregnancy Regulations, 1975
- d. The Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection Act, 1994)
- e. The Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Rules, 1996
- f. Blood Bank Rules under Drugs and Cosmetics (Second Amendment) Rules, 1999
- g. The Transplantation of Human Organs and Tissues Act, 1994
- h. The Environment Protection Act, 1986 & Bio-Medical Waste (Management & Handling) Rules, 1998
- i. The Pharmacy Act, 1948
- j. Indian Medical Council Act, 1956

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

- (i) Listing Agreement entered into with Stock Exchange.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) Secretarial Standards under Section 118 of the Companies Act, 2013.

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. There were no changes to the composition of the Board of Directors during the period covered under the Audit.

Adequate notice and detailed notes on Agenda were given to all Directors at least seven days in advance to schedule the Board Meetings. There exists a system for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. No dissenting views were found 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 there was no reportable specific action(s) having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above.

For KSR & Co Company Secretaries LLP

Sd/-

Dr.C.V.Madhusudhanan
Partner

(FCS: 5367; CP: 4408)

UDIN: F005367E000409892

PR No. 2635/2022

Place: Coimbatore

Date : 29.05.2023

MANAGEMENT DISCUSSION & ANALYSIS
INDIA OVERVIEW

India's healthcare industry comprises hospitals, medical devices and equipment, health insurance, clinical trials, telemedicine and medical tourism. Healthcare has become one of India's largest sectors, both in terms of revenue and employment. The industry is growing at a tremendous pace owing to its strengthening coverage, service and increasing expenditure by public as well private players. The adoption of technology has massively transformed the healthcare space in India in the past few decades, with the pandemic further accelerating the trend. Covid-19 also stretched healthcare infrastructure and service delivery to their limits, setting the stage for more investments and the inclusion of advanced technology to combat future pandemics and existing life-threatening diseases.

Technology advancements such as Artificial Intelligence (AI), wearables and other mobile technologies, along with Internet of Things, offer several avenues for investment. Key segments where new opportunities are likely to emerge for health technology players in the near future include development of tools to facilitate emergency care and improvements to medical infrastructure, through technology-based optimization. This includes expanding the scope of wearable devices to track health conditions, developing patient-facing mobile health applications as well as greater integration of AI, robots, and blockchain technologies.

The Government aims to develop India as a global healthcare hub. In the Union Budget 2023-24, the government allocated ₹ 89,155 crore (US\$ 10.76 billion) to the Ministry of Health and Family Welfare (MoHFW). Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated ₹ 3,365 crore (US\$ 410 million), Human Resources for Health and Medical Education was allotted ₹ 6,500 crore (US\$ 780 million), National Health Mission was allotted ₹ 29,085 crore (US\$ 3.51 billion), Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allotted ₹ 7,200 crore (US\$ 870 million).

Source: https://www.ibef.org/download/1682315060_Healthcare-Feb-2023.pdf.

Trends in Indian Health Care Sector
1. Medical Robotics

Robots are revolutionizing the medical world, and mobile robotic applications are one specific use case with major impacts on patient experience. Robots can also be used for rehabilitation and physical therapy, elder-care assistance, autism, and simplifying surgery. In fact, surgical robots comprise the largest component of the medical robotics market.

2. Digital Health Solutions

India has seen a growing acceptance of telemedicine post the pandemic. From telehealth to home testing and prescription delivery services, digital health companies now offer more convenient and accessible solutions that have revolutionized many patients ability to receive high-quality care and manage their health. Virtual care constituting teleconsulting, telepathology, teleradiology and e-pharmacy is experiencing a stimulus in India. Major hospitals have adopted telemedicine services and entered into a number of Public Private Partnerships. The telemedicine can also help reduce the burden on India's already strained healthcare system by providing quicker and more efficient access to medical care.

3. Data Science and artificial intelligence (AI)

Rising adoption of AI-based applications has enabled people to talk directly to doctors, physicians, and get expertise for the best treatment. AI has been the most revolutionary creation and is expected to have a prominent impact on the evolution of mankind. Data science and AI are currently reigning technologies which have conquered industries around the world owing to the massive explosion in data and the increasing need for businesses to rely on data for major decision making.

4. Healthcare Software services

Healthcare software as a service has become an increasingly popular solution for healthcare organizations looking to improve their efficiency and quality of care. Healthcare providers need solutions to store electronic health

records and population health management data. Healthcare software as a service-based solution help healthcare provider manage patient medical records, appointments, and billing information. As healthcare organizations turn towards trusted-third party software providers to focus on patient care.

5. Lifestyle Diseases

With increasing urbanization and problems related to modern-day living in urban settings, currently about 50% of spending on in-patient beds is for lifestyle diseases and this has increased the demand for specialized care. In India, lifestyle diseases have replaced traditional health problems.

6. Expansion to Tier II and Tier III cities

The development of hospitals in tier-II and tier-III cities in India has seen significant progress in recent years. Several new medical colleges and hospitals have been established in these regions, providing access to quality healthcare to a larger population. To encourage the private sector to establish hospitals in these cities, the Government has relaxed taxes on these hospitals for the first five years.

Revolutionizing Medical Education in India

To improve the quality of life of citizens, access to affordable and quality healthcare services is extremely crucial. Recognizing this, over the last 9 years, the Indian government has taken several initiatives to address this pressing need, such as encouraging the establishment of new medical colleges and AIIMS (All India Institute of Medical Sciences). In just nine years, the number of medical colleges has risen by a staggering 70%, from a mere 387 in 2014 to 660 in 2023, along with an increase in the number of AIIMS from 7 to 22.

India has witnessed a significant increase not only in medical colleges and AIIMS but also in the number of students being enrolled in medication education. Since 2014, there has been a 97% increase in the number of MBBS seats and 110% increase in the number of PG seats. This remarkable growth reflects the government’s commitment to provide accessible and quality healthcare services to every citizen and the country’s unwavering resolve to build a healthier nation.

Source: Ministry of Information and Broadcasting, GOI.

SWOT Analysis

STRENGTH

1. Extra-ordinary reputation and innovative service

KMCH from the very inception places undeterred focus and commitment in providing highest quality of care and service to its patients. This is reflected in the continuous patronage received from its patients every year. This has helped KMCH to establish a strong brand image and a leadership position in the health care scenario by its innovative services.

2. Infrastructure and Facilities

KMCH have an adequate infrastructure that provides essential medical care to the needy patients. Infrastructure includes well equipped bio medical devices viz imaging systems, monitoring systems, laboratory instruments, medical implants, prostheses, and surgical tools for accurate diagnosis and correct treatment of diseases.

3. Patient Care

KMCH provides a wide range of services, including emergency care, trauma care, inpatient care, outpatient care, diagnostic services, and preventive care. Hospital employs highly trained and experienced medical professionals to ensure the best possible care. They aim to give each patient personalized care to make them feel comfortable.

4. Accreditation

NABH (National Accreditation Board for Hospitals and Healthcare Providers) accreditation is a program that recognizes hospitals and healthcare providers for providing quality care. NABH accreditation ensures that hospitals and healthcare providers meet certain standards of patient safety and quality of care. It also helps to ensure that healthcare services are provided in a safe and efficient manner.

Other aspects that add value

- superior location or geographic advantage
- cultural connections
- Unique values that drive your organization
- Good atmosphere

WEAKNESS

1. Increasing Regulatory requirements

The ever increasing and stringent multiple regulatory requirements to establish a hospital acts as a deterrent to private players envisaging to expand their operations. In India, new establishment have the additional burden like going through multiple authorities and various regulatory requirements contrary to global standards where single window clearance are practiced.

2. Heavy Capital and recurring Cost

KMCH requires large capital investments in land, buildings, medical equipment and in the latest technology to set up new center or expand existing centers to provide quality care. This can include anything from diagnostic imaging equipment to beds and linens. Additionally, hospitals are required to have sufficient skilled staff to operate the hospital, adding burden to the costs.

3. Non-availability of Skilled and Talented Medical Professionals

The attractive opportunities outside India and the increased remuneration offered by the new players in the Health care industry creates a high demand for talented and skilled Medical professionals. This creates scarcity and the Health care players have to spend more time and resources to recruit/retain the pool of Medical professionals.

OPPORTUNITIES

1. Preventive Health care Program

The public awareness regarding life style diseases and the need for quality living opens new opportunities for preventive health and wellness. General public, especially the working class feel the need for early detection of health issues due to their high pressure, demanding work culture and late hour working consequent to the globalisation stressing the need for preventive healthcare.

2. Healthcare Awareness Program

Healthcare awareness programs helps to increase revenue in hospitals by providing patients with the information they need to make informed decisions about their health. This can include health education campaigns, providing resources for patients to access online, and working with local healthcare providers to ensure that the hospital is providing the best care possible. By providing resources and education to patients, the hospital can increase its revenue by having more patients seeking care at the facility.

3. Medical Value Travel

The medical tourism is estimated to grow significantly in the coming years as more and more International patients are patronizing Indian Health care providers due to its world class hospitals, deployment of latest equipment, technology, employment of skilled and talented medical professionals and lower treatment costs.

THREATS

1. Competition

There is growing demand for Health care services and this has provided opportunities for many entrepreneurs to enter into hospital segment. There is also stiff competition from existing organized and unorganized players. The new players are offering services at a lower price to attract the patients, increasing the level of competition.

2. Shortage of Skilled man power

There is severe shortage of skilled healthcare professionals in India. This has resulted in higher payouts for the talented pool and will be a deterrent to service providers, unless government takes serious steps to bridge the gap.

3. Non recovery of the fixed Costs

In the health care industry, fixed costs such as building maintenance, insurance premiums, and salaries for non-clinical staff cannot be fully recovered through patient care services during off- seasons.

4. Common threat

The healthcare industry is a rapidly changing and evolving sector that requires constant innovation and adaptation to keep up with the changes in technology and medical breakthroughs. Healthcare providers must be prepared to face challenges in areas such as patient care, medical research, data management, and cost control. Additionally, healthcare providers must ensure the safety and well-being of their patients by providing quality care and services.

ABOUT KMCH

Kovai Medical Center and Hospital Limited (KMCH) was incorporated under The Companies Act, 1956 and started its commercial operation in June 1990, with a capacity of 200 Bed Hospital in the outskirts of Coimbatore.

Nurtured with Indian hospitality and a western mind set, KMCH has grown into a 2,250 bed multi-locational, multi-disciplinary Super specialty hospital, the best and most trusted one in Southern India.

Over its more than three-decades of journey, the hospital has serviced urban and rural patients from Western Tamil Nadu and parts of Kerala. The Main Center and the Medical College Hospital is located very proximate to the city airport.

The cornerstone of KMCH legacy is its unstinting focus on clinical excellence, affordable costs, adoption of technology and academics.

TECHNOLOGY, INNOVATION AND FACILITIES

KMCH is one of the few hospitals in India that has, over the years invested in and efficiently leveraged cutting-edge technology to facilitate best-in-class healthcare delivery.

Kovai Medical Center and Hospital inaugurated a new treatment option for cancer. The treatment involves taking a needle under ultrasound or CT scan guidance into the centre of the tumour and destroying the tumour cells by freezing it with liquid nitrogen in a closed loop system. An Israeli company, IceCure Medical, has developed the ProSense Cryoablation System. "Around the world, icecure has treated cancer in the kidney, lungs, and, liver, and several other types of cancer. ProSense has several advantages. It is minimally invasive with optimal cosmetic outcomes, enables breast cancer patients and non-cancerous tumours to be treated relatively painlessly and is proven to have benefits not only for breast cancer but for lung, liver, renal and bone cancers. IceCure is the third system in India and the first in South India to be installed.

KMCH Main Center has 24 operation theatres and several modern equipment including the state of the art "Robotic Surgical System" of the "da Vinci. Si", Varian Trilogy Linear Accelerator, the world's most advanced PET CT scan, 3Tesla MRI, 3rd Generation Dual Source CT Scanner (latest in technology), Endo Bronchial Ultrasound (EBUS), Extra Corporeal Membrane Oxygenation (ECMO) Machines, 4D ultrasound scanner, Bi plane Cath lab, Cardiac Electro Physiology Lab, Bone Mineral Densitometer, Digital Mammography, Various Laser Equipment, Ultramodern Video endoscope operating neuro microscope, Computer assisted navigation for Hip & Knee replacements, ESWL for the removal of urinary stones.

In addition to housing some of the world's most sophisticated equipment, KMCH also boast of exceptional patient care owing to its highly skilled and globally acclaimed team. The hospital has over 300 internationally renowned full-time clinicians and over 350 postgraduate medical professionals assisting them. With more than 4,500 Technicians, paramedical, patient care and administrative staff the hospital delivers a complete care to the patients. This has facilitated KMCH in fostering a 'Patient Centric' culture - all its systems, people, process are geared towards delivering total care to the patients.

The hospital has pioneered several unique techniques and several super specialty and advanced surgeries are being performed frequently. KMCH has emerged as one of the most successful ‘Multi Organ Transplant Center’ in the rest of Tamil Nadu. The team at KMCH has successfully accomplished Super Specialty procedures like Uterus tumour surgery, Deep Brain Stimulation, Bilateral Hip & Knee replacement, Kidney Transplant, Liver Transplant, Heart and Lung Transplant, Bone Marrow Transplant, Valve replacement, and advanced spine surgeries.

KMCH continues to be a leader in transplant surgeries which include lungs, kidney, liver, pancreas, bone marrow and cardiac transplants – vindicating the effectiveness of an extraordinarily curated and executed transplant program. More recently, KMCH commenced The Center for Advanced Lung Diseases and Transplantation with the induction of senior pulmonologists.

As a responsible corporate citizen, KMCH’s passion for a healthy India has enabled it to extend its healthcare services far beyond pure business. KMCH opened a free Paediatric Oncology Ward in KMCH Medical College General Hospital, to cater to the needs of children with cancer, who cannot afford appropriate therapy. KMCH Medical College General Hospital provides outpatient and inpatient services in all specialties including General Medicine, Paediatrics, Psychiatry, Dermatology, TB and Respiratory Diseases, General surgery, Orthopaedics, ENT, Ophthalmology, Obstetrics & Gynaecology and Dentistry.

The hospital is actively involved in preventive health care too, through its health check-up programs, which are fairly popular in this region with various institutions and corporates subscribing to such health check-up schemes.

OPERATIONAL EXCELLENCE

Healthcare

KMCH continues to lead at the forefront of cancer care with multiple initiatives in , Cardio-Oncology , Pediatric -Oncology and Head & Neck –Oncology .

In a rare surgical feat at Kovai Medical Center and Hospital, the abnormal growth of uterus tumour was successfully removed in a single-stage operation that lasted five hours. A fifty-three-year-old woman had a tumour of her uterus which extended along her blood vessels and into the heart. This condition called intravascular leiomyomatosis is usually non-cancerous and the patient gets cured by surgery alone. It is thought to arise from a uterine fibroid or from the blood vessels in the uterus and finds its way into the heart by growing through the blood vessels like a cast. Rarely these tumours can be cancerous. Less than 100 such cases have been reported in world literature. Unplanned surgery can be dangerous in these patients because of bleeding during surgery or the tumour clot detaching during surgery and lodging in the lungs which could be fatal.

The specialists from Kovai Medical Center and Hospitals, (KMCH), Coimbatore have successfully saved a two and a half months’ old girl child with a rare congenital pancreatic disorder by an innovative treatment approach. The girl was brought with recurrent seizure (fits) episodes and severe hypoglycemia (low blood sugar) which could not be diagnosed and treated in many other hospitals. KMCH child specialists team successfully managed the child and after several special tests including PET CT scan, she was diagnosed with a rare disease called “ Nesidioblastosis “ where the whole of the pancreas secretes insulin hormone in much higher quantity than needed by the body; this leads to severe low blood sugar levels and fits in the child. In most of the cases, if the diagnosis is not made early the child may suffer permanent brain damage or even death.

A female patient aged 55 years presented to our hospital with a large midline swelling in her neck for the past 25 years. The patient noted the swelling gradually increasing in size and recently for the past one year the swelling was rapidly increasing with another swelling in the right side of the neck. The patient had symptoms of breathlessness on exertion. KMCH team diagnosed a large infiltrative thyroid tumor. The tumor deviated the trachea towards the left side, the upper end reached the mandible and the lower end located close to the sternal notch. The tumor was very vascular and was compressing the critical vascular structures The tumor was dissected carefully to preserve parathyroid glands and to clearly identify both recurrent laryngeal nerves. The operation took 180 min and the specimen weighed 530 gms in toto. The patient was discharged after 2 days without any complications.

Medical education

KMCH Medical College admitted its Fourth batch under graduate course, which started in November 2022 due to little delayed holding of NEET. It currently has an annual intake of 150 students in its MBBS degree course. All the seats have been filled up without any vacancy true to KMCH traditions. Pursuing its mission of providing world class patient care, education and training, the KMCH Medical college is developing highly trained, skilled and competent and compassionate medical professionals by creating an environment that provides excellent learning environments with infrastructure and facilities that support student learning and overall growth to become outstanding medical professionals.

Empowered with a dedicated team of healthcare professionals including doctors, nurses and paramedics, the infrastructure includes 750 general beds including 50 ICU beds, 30 emergency beds and 16 operation theatres with state-of-the-art medical equipment like CT scan, MRI, Cathlab, Ultra Sound and Digital X-Ray etc. The Medical College General Hospital offers 24x7 healthcare services to public.

AWARDS, ACHIEVEMENTS

The Hospital continues to receive several accolades, all of which goes on to say that KMCH not only takes care of its patients to the best of its abilities, but also is a role model in the industry. Notable among the many achievements and awards won by KMCH is the “Ranked No 1 Hospital in Coimbatore” by The Week - Hansa Research survey – 2022, “The Best Hospital Awards -2022” by The New Indian Express - Financial Express, “Award of Appreciation for Best Renal Transplant Unit” by Transplant Authority of Tamilnadu, “Green Hospital – 2023” by Association of Healthcare Providers of India (AHPI) and “Ranked No.1 Multispecialty Hospital in Coimbatore” by Time Health Survey 2023.

DISCUSSION ON FINANCIAL AND OPERATIONAL PERFORMANCE

Below detailed table presents summaries of Financial Results of Operations for the Year ended 31 March 2022 and 2023. The Company operates on two segments - Healthcare Services and Education Services.

(₹ in Lakhs)

| Particulars | 2022-23 | 2021-22 |
|--|-------------------|------------------|
| Revenue from Operations | 101,974.68 | 90,532.67 |
| Other Income | 1,598.77 | 1,249.53 |
| Total Income | 103,573.45 | 91,782.20 |
| Medicines & Hospital Consumables | 28,284.31 | 25,627.38 |
| Employee Benefit Expense | 17,969.70 | 15,076.07 |
| Finance Costs | 4,015.61 | 4,323.01 |
| Depreciation & Amortisation Expense | 8,912.50 | 8,542.82 |
| Other Expenses | 28,869.34 | 24,145.09 |
| Total Expenses | 88,051.46 | 77,714.37 |
| Profit Before Taxation (PBT) | 15,521.99 | 14,067.83 |
| Provision for Taxation | 3,945.38 | 3,641.77 |
| Profit After Taxation | 11,576.61 | 10,426.06 |
| Add: Other Comprehensive Income | 53.48 | (166.75) |
| Total Comprehensive Income for the year | 11,630.09 | 10,259.31 |

REVENUE

Total Operating Revenue grew 12.64% from ₹ 90,532.67 Lakhs in FY22 to ₹ 1,01,974.68 Lakhs in FY 23.

Healthcare Services : Inpatient Revenues grew by 4.99 % from ₹ 64,404.12 Lakhs in FY 22 to ₹ 67,618.04 Lakhs in FY23 and Outpatient Revenue grew by 18.38 % from ₹ 23,252.09 Lakhs in FY 22 to ₹ 27,526.06 Lakhs in FY 23. Increase in Revenue is primarily attributable to increase in Surgeries, Inpatient and Outpatient Volumes.

Education Services : This is the fourth year of reporting on Education Services consequent to the commencement of KMCH Institute of Health Sciences & Research (KMCH Medical College). Revenues under education segment increased from ₹ 2,783.52 Lakhs in FY 22 to ₹ 6,711.99 Lakhs in FY 23, which also includes income from Allied Health Sciences and Diplomat of National Board courses.

Below Table shows the key drivers of revenue for the periods presented year ended 31st March 2023.

| Particulars | 2022-23 | 2021-22 | Increase/ (Decrease) | % Increase/ (Decrease) |
|---|--------------------|------------------|-------------------------|---------------------------|
| Inpatients (Nos.) | 90,124 | 72,395 | 17,729 | 24.49 |
| Inpatients Revenue (₹ in Lakhs) | 67,618.04 | 64,404.12 | 3,213.92 | 4.99 |
| Outpatients (Nos.) | 10,99,537 | 8,14,689 | 2,84,848 | 34.96 |
| Outpatients Revenue (₹ in Lakhs) | 27,526.06 | 23,252.09 | 4,273.97 | 18.38 |
| KMCH IHSR (No. of Students) | 600 | 450 | 150 | 33.33 |
| AHS Courses (No. of Students) | 736 | 756 | (20) | (2.65) |
| Income from Educational Institutions (₹ in Lakhs) | 6,711.99 | 2,783.52 | 3,928.47 | 141.13 |
| Other Operating Income (₹ in Lakhs) | 118.59 | 92.94 | 25.65 | 27.60 |
| Total | 1,01,974.68 | 90,532.67 | 11,442.01 | 12.64 |

- KMCH IHSR – KMCH Institute of Health Sciences and Research
- AHS – Allied Health Sciences Courses

| Particulars | 2022-23 | 2021-22 |
|---|-----------|----------|
| Bed Capacity at the end of the Period (In Nos.) | 2,097 | 1,854 |
| Operating Beds at the end of the Period (In Nos.) | 1,925 | 1,715 |
| Inpatient (In Nos.) | 90,124 | 72,395 |
| Outpatient - New & Review (In Nos.) | 10,99,537 | 8,14,689 |
| Bed Occupancy Rate | 55.18% | 48.66% |
| Average Length of Stay (In Days) | 4.30 | 4.21 |
| Average Revenue per occupied bed (in ₹) | 17,442 | 21,144 |

EXPENSES

MEDICINES AND HOSPITAL CONSUMABLES

During the year ended FY 23, Cost of Medicines and Hospital Consumables increased from ₹ 25,627.38 Lakhs in FY 22 to ₹ 28,284.31 Lakhs in FY 23. Increase of 10.37% is in line with the growth in operating revenues.

EMPLOYEE BENEFITS EXPENSE

Employee Benefits Expense increased from ₹ 15,076.07 Lakhs in FY 22 to ₹ 17,969.70 Lakhs in FY 23. Increase is due to enhanced employee strength and increment given to existing employees.

FINANCE COSTS

Finance Costs reduced from ₹ 4,323.01 Lakhs in FY 22 to ₹ 4,015.61 Lakhs in FY 23, a reduction of ₹ 307.40 Lakhs. This decrease in Finance Costs is due to prepayment and regular repayment of principal loan during the FY 23.

DEPRECIATION AND AMORTIZATION EXPENSE

Depreciation and Amortization Expenses has increased from ₹ 8,542.82 Lakhs in FY 22 to ₹ 8,912.50 Lakhs in FY 23, an increase of ₹ 369.68 Lakhs. Additional Medical Equipment bought and buildings capitalized during the year are other reasons for increase in Depreciation Expense.

OTHER EXPENSES

Table below summarizes the operating and other Administrative Expenses for the year ended 31st March 2023.

| Particulars | Year ended 31.03.2023 | | Year ended 31.03.2022 | | Increase/ (Decrease) | % Increase/ (Decrease) |
|---------------------------------|-----------------------|--------------|-----------------------|--------------|-------------------------|---------------------------|
| | ₹ in Lakhs | % of Revenue | ₹ in Lakhs | % of Revenue | | |
| Stores, Dietary, Power & Fuel | 3,845.27 | 3.77 | 3,296.41 | 3.64 | 548.86 | 16.65 |
| Professional & Consultancy Fees | 15,434.38 | 15.14 | 13,053.21 | 14.42 | 2,381.17 | 18.24 |
| Hospital Upkeep Expenses | 2,381.76 | 2.34 | 1,849.17 | 2.04 | 532.59 | 28.80 |
| Marketing & Advertising | 624.88 | 0.61 | 443.20 | 0.49 | 181.68 | 40.99 |
| Repairs & Maintenance | 2,148.31 | 2.11 | 1,903.42 | 2.10 | 244.89 | 12.87 |
| Rent | 3.26 | 0.00 | 51.49 | 0.06 | (48.23) | (93.67) |
| Other Administrative Expenses | 4,431.48 | 4.35 | 3,548.19 | 3.92 | 883.29 | 24.89 |
| Total | 28,869.34 | 28.32 | 24,145.09 | 26.65 | 4,724.25 | 48.78 |

KEY FINANCIAL RATIOS

Key Financial Ratios are detailed in Note No. 53 of Notes to Financial Statements.

LIQUIDITY

Primary Sources of Funds are Cash Flows generated from Operations as well as Borrowings. It is expected that internally generated Cash Flows will be adequate to service existing debt, fund internal growth and deploy funds for all Capital Expenditure.

RISK MANAGEMENT

In a rapidly changing business environment with dynamic customer requirements, business risks are constantly evolving. As a result, there is significant variation in the emerging risks landscape across businesses. On account of multi-fold increase in scale and the expanded area of operations, your company gets exposed to a wide range of both internal and external risks and uncertainties.

These internal and external factors may affect achievement of the company's objectives – whether they are strategic, operational or financial. Risk management's objective is to assure that uncertainty does not deflect the Company's progress from its envisioned business goals.

The Company Risk Management approach is towards striking a balance between managing risks and capitalising opportunities. Its response to identified risks includes acceptance, avoidance, transfer and mitigation. Greater focus is given towards ring-fencing the organisation from major risks that are likely to have a lasting impact on the Company profitability and sustainability.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the health care sector's objectives, projections, estimates, expectations and predictions contain "forward looking statements" within the meaning of applicable laws and regulations. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. Actual results might differ materially from those either expressed or implied.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT
SECTION A: GENERAL DISCLOSURES

| I. Details of the listed entity | |
|--|---|
| 1. Corporate Identity Number (CIN) of the Listed Entity | L85110TZ1985PLC001659 |
| 2. Name of the Listed Entity | KOVAI MEDICAL CENTER AND HOSPITAL LIMITED |
| 3. Year of incorporation | 1985 |
| 4. Registered office address | No.99, Avanashi Road, Coimbatore-641014 |
| 5. Corporate address | No.99, Avanashi Road, Coimbatore-641014 |
| 6. E-mail | secretarialdept@kmchhospitals.com |
| 7. Telephone | 0422-432-3639 |
| 8. Website | www.kmchhospitals.com |
| 9. Financial year for which reporting is being done | 2022-23 |
| 10. Name of the Stock Exchange(s) where shares are listed | BSE |
| 11. Paid-up Capital | ₹ 10,94,22,620 |
| 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report: | CS.R.Ponmanikandan E- mail: secretarialdept@kmchhospitals.com 0422-432-3703 |
| 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone |

II. Products/services
14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|--------|------------------------------|---|-----------------------------|
| 1. | Healthcare sector | Provide Healthcare Facilities | 93.13% |
| 2. | Education sector | Provide Medical Education Facilities and other Allied Health Sciences | 6.87% |

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|--------|---------------------|----------|---------------------------------|
| 1. | Healthcare | 8610 | 72.29% |
| 2. | Diagnostic services | 8530 | 20.84% |
| 3. | Medical education | 8530 | 6.87% |

III. Operations
16. Number of locations where plants and/or operations/offices of the entity are situated:

KMCH's business activities includes operating hospitals and Medical Education. It has peripheral centers in Coimbatore, Sullur, Coimbatore (city center), Erode and Kovilpalayam.

17. Markets served by the entity:
(a) Number of locations

| Locations | Number |
|----------------------------------|--------|
| National (No. of States) | 1 |
| International (No. of Countries) | Nil |

(b) What is the contribution of exports as a percentage of the total turnover of the entity?

Not Applicable

(c) A brief on types of customers.

- Out-Patients
- In-Patients
- Common Public

IV. Employees
18. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|------------------|--------------------------------|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| EMPLOYEES | | | | | | |
| 1. | Permanent (D) | 4404 | 928 | 21.07% | 3476 | 78.93% |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| 3. | Total employees (D + E) | 4404 | 928 | 21.07% | 3476 | 78.93% |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 995 | 436 | 43.82% | 559 | 56.18% |
| 5. | Other than Permanent (G) | - | - | - | - | - |
| 6. | Total workers (F + G) | 995 | 436 | 43.82% | 559 | 56.18% |

b. Differently abled Employees and workers:

| S. No | Particulars | Total (A) | Male | | Female | |
|------------------------------------|--|-----------|---------|-----------|---------|-----------|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1. | Permanent (D) | NIL | - | - | - | - |
| 2. | Other than Permanent (E) | NIL | - | - | - | - |
| 3. | Total differently abled employees (D + E) | NIL | - | - | - | - |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4. | Permanent (F) | NIL | - | - | - | - |
| 5. | Other than permanent (G) | NIL | - | - | - | - |
| | | - | - | - | - | - |
| 6. | Total differently abled workers (F + G) | NIL | - | - | - | - |
| | | - | - | - | - | - |

19. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 13 | 3 | 23.08 |
| Key Management Personnel | 5 | 1 | 20 |

20. Turnover rate for permanent employees and workers. (Disclose trends for the past 3 years)

| | FY 2022-23 (Turnover rate in current FY) | | | FY 2021-22 (Turnover rate in previous FY) | | | FY 2020-21 (Turnover rate in the year prior to the previous FY) | | |
|---------------------|--|--------|-------|---|--------|-------|---|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 3.02% | 2.30% | 2.45% | 3.46% | 3.61% | 3.58% | 1.95% | 3.24% | 2.98% |
| Permanent Workers | 6.65% | 2.68% | 4.42% | 6.54% | 3.76% | 4.97% | 3.04% | 4.38% | 3.78% |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

Nil

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013. If yes, indicate the Turnover and Network details: Yes

(ii) Turnover (₹ In lakhs) : 1,03,573.45

(iii) Net worth (₹ In lakhs) : 71,904.43

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/ No) | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|--|--|--|-----------------------|--|--|-----------------------|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | | Nil | Nil | Nil | Nil | Nil | Nil |
| Investors (other than shareholders) | | Nil | Nil | Nil | Nil | Nil | Nil |
| Shareholders | | 2 | - | No Complaints Pending | 5 | - | No Complaints Pending |

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|---|--|--|---------|--|--|---------|
| | (If Yes, then provide web-link for grievance redress policy) | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Employees and workers | https://km-chhospitals.com/wp-content/uploads/2016/pdf/Whistle_Blower_Policy.pdf | Nil | Nil | Nil | Nil | Nil | Nil |
| Customers | - | - | - | - | - | - | - |
| Value Chain Partners | - | - | - | - | - | - | - |
| Other (please specify) | - | - | - | - | - | - | - |

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

| S. No | Material issues identified | Indicate whether risk or opportunity | Rationale for identifying risk/ opportunity | In case of risk, approach to adapt or mitigate | Implications of the risk or opportunity (indicate positive or negative implications) |
|-------|-------------------------------|--------------------------------------|--|---|---|
| 1. | ESG and Regulatory compliance | Risk | Risk: ESG compliance risk is linked to non-adherence with standards and guidelines of all local and global regulatory agencies, focusing on pharmacovigilance, proprietary, confidentiality and other core governance standards. | <ol style="list-style-type: none"> 1. Focusing on stable and larger markets. 2. Strengthening regulatory capacity hence mitigating risks from external sources. | Positive: Compliance with relevant regulatory requirements pertaining to the ESG domain reflects the Company's commitment towards responsible business practices. |

| S. No | Material issues identified | Indicate whether risk or opportunity | Rationale for identifying risk/ opportunity | In case of risk, approach to adapt or mitigate | Implications of the risk or opportunity (indicate positive or negative implications) |
|-------|--|--------------------------------------|--|---|---|
| 2. | Risk management | Risk | Risk: Lack of robust controls across the risk management system may lead to adverse impacts across business operations. | 1. Ensuring business continuity by conducting disaster recovery and business continuity testing for critical applications and alternative development. | Positive: Linking the Company's key material topics with the identified risks and their corresponding mitigation actions strengthens the Company's growth plan and ensures business continuity in the long run. |
| 3. | Emergency preparedness and response | Opportunity | Opportunity: Integration of emergency preparedness to ensure the implementation of required actions during unprecedented situations. | - | Positive: Immediate response with a strong action plan at the time of emergency helps alleviate the devastating impact on business activities and secures the Company. |
| 4. | Managing waste and Climate Change | Opportunity | Opportunity: Comprehensive resource management plans helps in improving environment preservation and its contribution towards climate change mitigation plans. | - | Positive: The Company's focus on strengthening long-term value creation and enables the company to effectively respond to rising stakeholder demands. |
| 5. | Attracting, retaining talent and workforce welfare | Risk | Risk: Inability to meet with the workforce expectations may impact the Company's retention rate and affect the Company's the business | 1. Attracting and retaining talent through multiple talent development programs. 2. Formal succession planning programme for all leadership positions. | Positive: A strong workforce with high retention rate highlights the Company's efforts towards creating a conducive work environment. |

| S. No | Material issues identified | Indicate whether risk or opportunity | Rationale for identifying risk/ opportunity | In case of risk, approach to adapt or mitigate | Implications of the risk or opportunity (indicate positive or negative implications) |
|-------|---|--------------------------------------|---|---|--|
| 6. | Occupational Health and safety | Opportunity | Opportunity: Strong system integrated with comprehensive hazard identification, mitigation, root cause analysis of the reported incidents and corresponding corrective action plan will highlight the Company's approach towards workforce health and safety. | - | Positive: Robust Occupational, Health and Safety management approach enables the Company to prevent the occurrence of incidents. |
| 7. | Human Rights | Opportunity | Opportunity: Presence of Human Rights Governance and a strong redressal mechanism outlines the Company's commitment towards Human Rights protection. | - | Positive: Human Rights standards amplify the Company's performance in social aspect as well as reflect its commitment towards human rights integration within the Company's business model. |
| 8. | Data integrity, security, technology and digitalization | Risk | Risk: Risk linked to technology directly impact the security and integrity of the system across the business operation. | Strengthened perimeter security, anti-virus on cyber security to reduce risks arising from cyber security and data breaches | Positive: Strong alignment of secure data integrity to help of innovative technology and digitalisation initiatives within the Company will ensure compliance of data security, privacy and prevent any loss of data |
| 9. | Community development - CSR | Opportunity | Opportunity: Streamlining CSR initiatives with the needs of society enables the Company to highlight its positive impact on the community. | - | Positive: Contributions made by the Company towards upliftment of the community elevates the Company's brand value as well as contributes towards positive social performance. |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements:

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--|---|----|----|----|----|----|----|----|----|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| b. Has the policy been approved by the Board? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| c. Web Link of the Policies, if available | https://kmchhospitals.com/policies/ | | | | | | | | |

| | | | | | | | | | |
|--|---|---|---|---|---|---|---|-----|-------------------|
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | NABH | | | | | | | Nil | ISO/IEC27001:2013 |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | - | - | - | - | - | - | - | - | - |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | - | - | - | - | - | - | - | - | - |
| Governance, leadership and oversight | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Board of Directors assesses the BR performance of the company annually. | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | N | N | N | N | N | N | N | N | N |

| 10. Details of Review of NGRBCs by the Company: | | | | | | | | | | | | | | | | | | |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|----|----|----|----|----|----|----|----|
| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against Above policies and follow up action | The performance and follow up action against the above policies is assessed by the company. | | | | | | | | | Periodically/need based basis | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances | Y | Y | Y | Y | Y | Y | Y | Y | Y | | | | | | | | | |
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | N | N | N | N | N | N | N | N | N |

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| The entity does not consider the Principles material to its business (Yes/No) | - | - | - | - | - | - | - | - | - |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | - | - | - | - | - | - | - | - | - |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | - | - | - | - | - | - | - | - | - |
| It is planned to be done in the next financial year (Yes/No) | - | - | - | - | - | - | - | - | - |
| Any other reason (please specify) | - | - | - | - | - | - | - | - | - |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programs on any or all the principles in the financial year

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|---|--|
| Board of Directors | 3 | Familiarization programmes | 100.00% |
| Key Managerial Personnel | 3 | Familiarization programmes | 100.00% |
| Employees other than BoD and KMPs | 60 | Orientation programmes | 100.00% |
| Workers | 36 | Awareness programmes and patient care | 100.00% |

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings with regulators / law enforcement agencies / judicial institutions, in the financial year:

Nil.

3. Of the instances given in table 3, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been impugned:

Nil.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

Yes. Our Code of Conduct and Ethics complies with the legal requirements of applicable laws and regulations, including anti-bribery, anti-corruption and ethical handling of conflicts of interest.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery /Corruption against directors / KMP / employees / workers that have been brought to our attention.

6. Details of complaints with regard to conflict of interest:

Nil.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest:

Nil.

LEADERSHIP INDICATORS

1. Programs conducted for value chain partners on any of the principles during the financial year:

KMCH policies are percolated down to vendors at the time of onboarding. Policies are explained and made part of the Supplier Code of Conduct which is acknowledged by the vendor along with other documents during the registration process.

- Does the entity have processes in place to avoid / manage conflicts of interest involving members of the Board? (Yes / No) If Yes, provide details of the same.

Yes. The Company receives an annual declaration (changes from time to time) from its Board members and KMP on the entities they are interested in and ensures requisite approvals as required under the statute as well as the Company's policies are in place before transacting with such entities / individuals.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the company, respectively.

During the year 2021-22 and 2022-23, the total investment in capital expenditure were to the tune of INR 13,644.93 Lakhs (14.87%) and INR 9,283.39 Lakhs (8.96%), respectively.

- Does the company have procedures in place for sustainable sourcing? (Yes / No)

Yes

- If yes, what percentage of inputs were sourced sustainably?

As per the supplier code of conduct, we assess our strategic suppliers on multiple criteria including business ethics, human rights, social impact, safety, and environment. Additionally, we are in the process of developing a measurement mechanism to report our sustainably sourced products.

- Describe the processes in place to safely collect, reuse, recycle and dispose after sale and at the end of life for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We have waste management systems in place at all our facilities. Plastic waste is either co-processed or recycled based upon the type of waste generated. E-waste, Hazardous waste and other waste are sold to authorized vendors.

- Whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, we work in compliance with India's Plastic Waste Management Rules, 2016 (subsequent abatements) and the Extended Producer Responsibility (EPR) guidelines.

LEADERSHIP INDICATORS

- Has the entity conducted Life Cycle Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

We conduct LCA on our operations and we are committed to minimize our environmental impact.

- If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Nil

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

The recycled or reused input material to total material used in providing services is 81.6mt in the Previous Financial Year and 88.9mt in the current financial year.

- Of the products and packaging collected at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Not applicable. We don't manufacture any products. We are in Health Care industry.

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable. We don't manufacture any products. We are in Health Care industry.

PRINCIPLE 3: Businesses should respect and promote the wellbeing of all employees, including those in their value chains

ESSENTIAL INDICATORS

1.a Details of measures for the well-being of employees.

| Category | % of employees covered by | | | | | | | | | | |
|---------------------------------------|---------------------------|------------------|---------------|--------------------|-------------|--------------------|----------|--------------------|----------|---------------------|-------------|
| | Total(A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number(B) | %(B/A) | Number(C) | %(C/A) | Number(D) | %(D/A) | Number(E) | %(E/A) | Number(F) | %(F/A) |
| Permanent Employees | | | | | | | | | | | |
| Male | 928 | 609 | 65.63% | 928 | 100% | NIL | - | - | - | 928 | 100% |
| Female | 3476 | 2993 | 86.10% | 3476 | 100% | 3476 | 100% | - | - | 3476 | 100% |
| Total | 4404 | 3602 | 81.79% | 4404 | 100% | - | - | - | - | 4404 | 100% |
| Other Than Permanent Employees | | | | | | | | | | | |
| Male | NIL | - | - | - | - | - | - | - | - | - | - |
| Female | NIL | - | - | - | - | - | - | - | - | - | - |
| Total | NIL | - | - | - | - | - | - | - | - | - | - |

❖ The health Insurance and accident insurance is extended to the housekeeping and security staff working on our campuses. The health Insurance and accident insurance of other contractors are covered by their respective employers.

1.b Details of measures for the well-being of workers.

| Category | % of employees covered by | | | | | | | | | | |
|-------------------------------------|---------------------------|------------------|---------------|--------------------|-------------|--------------------|-------------|--------------------|----------|---------------------|-------------|
| | Total(A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number(B) | %(B/A) | Number(C) | %(C/A) | Number(D) | %(D/A) | Number(E) | %(E/A) | Number(F) | %(F/A) |
| Permanent Workers | | | | | | | | | | | |
| Male | 436 | 417 | 95.64% | 436 | 100% | Nil | - | - | - | 436 | 100% |
| Female | 559 | 559 | 100% | 559 | 100% | 559 | 100% | - | - | 559 | 100% |
| Total | 995 | 976 | 98.09% | 995 | 100% | 559 | 100% | - | - | 995 | 100% |
| Other Than Permanent Workers | | | | | | | | | | | |
| Male | NIL | - | - | - | - | - | - | - | - | - | - |
| Female | NIL | - | - | - | - | - | - | - | - | - | - |
| Total | NIL | - | - | - | - | - | - | - | - | - | - |

2. Details of retirement benefits, for current and previous financial years.

| Benefits | FY2022-23 (Current Financial year) | | | FY 2021-22 (Previous Financial Year) | | |
|----------|---|---|---|---|---|---|
| | No. of Employees Covered As a % Of Total Employees. | No. of Workers Covered As a % Of Total Workers. | Deducted and Deposited with the Authority | No. of Employees Covered As a % Of Total Employees. | No. of Workers Covered As a % Of Total Workers. | Deducted and Deposited with the Authority |
| PF | 90.89% | 99.54% | Yes | 91.74% | 99.70% | Yes |
| Gratuity | 100% | 100% | Yes | 100% | 100% | Yes |
| ESI | 72% | 97% | Yes | 76% | 98% | Yes |
| Others | - | - | - | - | - | - |

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

Yes. The premises / offices of the entity are accessible to differently-abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes, The entity has an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016.

5. Return to work and retention rates of employees that took parental leave.

| Gender | Permanent Employees | | Permanent Workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to Work Rate | Retention Rate | Return to Work Rate | Retention Rate |
| Male | - | - | - | - |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 100% |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes, As part of the Whistle blower Policy, the Company provides a grievance redressal mechanism and encourages its employees and workers to bring to attention any instances of violation of the code. Further, the Company has Suggestion/Complaints box for its employees to address any grievances and queries.

7. Membership of employees and workers in association(s) or unions recognized by the listed entity:

Nil.

8. Details of training of employees and worker (% to total no. of employees / workers in the category):

Continuous learning and reskilling have always been central to our culture. Our training program can be broadly classified as the Foundation Training program, designed to enable Employees and Workers to know about the organization.

All employees in the Company (including Contract Employees) are provided with safety training as part of their induction programme. Aspects such as Safety Management, Patient Care Fundamentals, and Incident Investigations are considered in Training Programme for all employees and contract workers. The Company has institutionalized continuous learning model for skill upgradation and development. The learning modules are also tailor made for management of employees.

| Category | FY 2022-23 Current Financial Year | | | | | FY 2021-22 Previous Financial Year | | | | |
|------------------|-----------------------------------|----------------------|-------------|-------------------------------|-------------|------------------------------------|----------------------|-------------|-------------------------------|-------------|
| | Total (A) | On skill upgradation | | On Health and Safety Measures | | Total (D) | On skill upgradation | | On Health and Safety Measures | |
| | | No (B) | %(B/A) | No (C) | %(C/A) | | No(E) | %(E/D) | No(F) | %(F/D) |
| EMPLOYEES | | | | | | | | | | |
| Male | 928 | 928 | 100% | 928 | 100% | 837 | 837 | 100% | 837 | 100% |
| Female | 3476 | 3476 | 100% | 3476 | 100% | 2855 | 2855 | 100% | 2855 | 100% |
| Total | 4404 | 4404 | 100% | 4404 | 100% | 3692 | 3692 | 100% | 3692 | 100% |
| WORKERS | | | | | | | | | | |
| Male | 436 | 436 | 100% | 436 | 100% | 428 | 428 | 100% | 428 | 100% |
| Female | 559 | 559 | 100% | 559 | 100% | 558 | 558 | 100% | 558 | 100% |
| Total | 995 | 995 | 100% | 995 | 100% | 986 | 986 | 100% | 986 | 100% |

9. Details of performance and career development reviews of employees and workers

100% of eligible employees have received performance and career development reviews.

10a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage of such system?

KMCH recognizes and accords highest priority to safety and well-being of its employees and other relevant interested parties. The Occupational Health and Safety management system covers all the employees and workers. Hence, the coverage is 100%.

10b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The healthcare working environment in general poses risks for the healthcare workforce. Some of these risks include needle stick injuries, exposure to noxious materials, falls, and mental health issues. Our hospitals conduct an evaluation of these various risks and has put in place workplace practices and policies that provide a safe and healthy workplace for our employees.

10c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y / N)

Yes, The Company has well-established Standard Operating Procedures (SOP) for employees and workers to identify and report on work-related hazards and the subsequent steps to mitigate them. In addition, the Company trains all its employees and workers with occupational health and safety modules. During the safety and emergency evacuation drills, employees are trained in dealing with emergency equipment such as fire hydrant, firefighting system, leak and spill control procedures, safety alarms among others.

10d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

11. Details of safety-related incidents during the current financial year.

NIL.

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

SAFETY MEASURES:

At KMCH, we emphasize strongly on the health, safety, and well-being of our people. We continuously strive to create a work environment that is free from any occupational hazards, regardless of where our people are located or what type of work they carry out. We have developed and implemented strong health and safety systems. These systems are guided and driven by our established policies and procedures. Periodic assessments are conducted to evaluate the effectiveness of the systems implemented and appropriate measures are taken to further improve our Health and safety performance continually.

13. Number of Complaints on the Working Conditions and Health & Safety made by employees and workers:

Nil

14. Assessment for the financial year:

| Particulars | % of your plans and officers that were assessed (by entity) |
|-----------------------------|---|
| Health and Safety practices | 100% |
| Working conditions | 100% |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) employee (Y / N) (B) worker (Y / N)

Yes.

2. Provide the measures undertaken by the Company to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to the transactions are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audit. The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability. They were periodically checked and verified.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

Nil.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Nil.

5. Details on assessment of value chain partners

| Particulars | % of your Value Chain Partners that were assessed (by entity) |
|-----------------------------|---|
| Health and Safety practices | 100% |
| Working conditions | 100% |

As per the Company's Code of Conduct, the value chain partners are expected to adhere to the principles of Health and safety practices, working conditions as per extant regulations. However, no independent assessment is carried out.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. This inter alia includes employees, consultants, shareholders and investors, suppliers, customers, channel partners, key partners, regulators, lenders, research analysts, communities, non-governmental organisations, amongst others. We are privileged to share a strong relationship with our stakeholders based on our deep understanding of their expectations and our commitment to fulfil them.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalised Group. (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/Half yearly/Quarterly /others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-----------------------|---|---|---|---|
| Investor/ Shareholder | No | Email, Press Releases, Website, quarterly results, Annual General Meetings, Financial Reports, email advisories, Intimation to stock exchanges, annual/ quarterly financials. | Quarterly/ need-based | Educating them about KMCH business strategy for the long term. |
| Regulator | No | <ul style="list-style-type: none"> In-person meetings E-mail | Need-based | For good governance and compliance. Discussions with regards to various regulations and amendments, inspections, and approvals. |
| Employee | No | Notice Board, Direct & other communication mechanisms including mailers, Intranet, employee committees, engagement initiatives, newsletters. | Ongoing | Learning opportunities, building a safety culture, and inculcating safe work practices among employees, and improving diversity and inclusion. |
| Research Analysts | No | Website, Email, one-on-one meetings, video conference and forums | Frequent and need based | Keep abreast of developments of the Corporation and its subsidiaries |
| Community | Yes | <ul style="list-style-type: none"> Newspaper In-person meetings Engagement through Medical Camps. | Ongoing | <p>Community development programs initiated by the Company's CSR activities enables driving a positive impact on the community members.</p> <p>The key areas of interest for community are:</p> <ul style="list-style-type: none"> Community development programs with a focus on health, education, sanitation and infrastructure development |

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Consultation with stakeholders on E, S and G topics are delegated to the departments within the Company who are also responsible for engaging with stakeholders continually. The Company has always maintained a constant and proactive engagement with our key stakeholders enables KMCH to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling KMCH to better serve its stakeholders. Material topics were shortlisted and prioritized based on their impact on our stakeholders and our business.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Company believes that the consultation from Stakeholders and implementation of the same will be carried out and continuous improvement of the policies will be made accordingly. Effective engagement helps us to connect stakeholder needs with organizational goals, creates the basis of an effective strategy development, and unlocks greater shared value for all stakeholders. We use multiple platforms to engage with a wide variety of stakeholders to understand their unique needs and concerns and chart out suitable strategies to address them. We also conducted a materiality assessment that involved an intensive stakeholder engagement round.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Patients: We have various patient assistance programs that provides financial assistance to patients who are not in a position to afford high cost treatments

Community: Company’s initiatives in the field of Corporate Social Responsibility are intended to cover wide spectrum of communities including the disadvantaged, vulnerable and marginalized stakeholders. These initiatives include areas like education, rural and infrastructure development, community hygiene and sanitation. Company engages with local community to ascertain their needs for planning, co-ordination and routine monitoring of its CSR programmes.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

- Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

| Category | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|------------------------|-----------------------------------|---------------------------------------|--------|------------------------------------|---------------------------------------|--------|
| | Total (A) | On Health and Safety Measures | | Total (C) | On Health and Safety Measures | |
| | | No. of employees/ workers covered (B) | %(B/A) | | No. of employees/ workers covered (D) | %(D/C) |
| EMPLOYEES | | | | | | |
| Permanent | 4404 | 4404 | 100% | 3692 | 3692 | 100% |
| Other than permanent | - | - | - | - | - | - |
| Total Employees | 4404 | 4404 | 100% | 3692 | 3692 | 100% |
| WORKERS | | | | | | |
| Permanent | 995 | 995 | 100% | 986 | 986 | 100% |
| Other than permanent | - | - | - | - | - | - |
| Total Workers | 995 | 995 | 100% | 986 | 986 | 100% |

2. Details of employees and workers in terms of minimum wages paid:

All employees and contractors have been paid more than / equal to minimum wage in accordance with the laws of the land in the countries we operate.

| Category | FY 2022-23 Current Financial Year | | | | FY 2021-22 Previous Financial Year | | | |
|-----------------------------|-----------------------------------|-----------------------|------------------------|---------|------------------------------------|-----------------------|------------------------|---------|
| | Total (A) | Equal to Minimum Wage | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | More than Minimum Wage | |
| | | No. % (B) (B/A) | No. (C) | % (C/A) | | No. % (E) (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | |
| Permanent | | | | | | | | |
| Male | 928 | - | 928 | 100% | 837 | - | 837 | 100% |
| Female | 3476 | - | 3476 | 100% | 2855 | - | 2855 | 100% |
| Other than permanent | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - |
| Total Employees | 4404 | - | 4404 | 100% | 3692 | - | 3692 | 100% |
| Workers | | | | | | | | |
| Permanent | | | | | | | | |
| Male | 436 | - | 436 | 100% | 428 | - | 428 | 100% |
| Female | 559 | - | 559 | 100% | 558 | - | 558 | 100% |
| Other than permanent | - | - | - | - | - | - | - | - |
| Male | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - |
| Total Workers | 995 | - | 995 | 100% | 986 | - | 986 | 100% |

3. Details of remuneration / salary / wages, in the following format:

Refer Board's Report.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. We formed a committee called Grievance Redressal Committee for addressing human rights impacts or issues caused or contributed to by the business. The committee will periodically review the grievances received.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Redressal Committee is constituted and formed by the Company. The Managing Director and Executive Director will periodically review the grievances received, pending and resolved during the quarter/year and the Employees are conveyed about the internal mechanisms in place to address human rights issues at the time of Induction training program.

6. Number of Complaints made by employees and workers on Sexual Harassment, Discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages and Other human rights related issues.

| Particulars | FY 2022-23 Current Financial Year | | | FY 2021-22 Previous Financial Year | | |
|---|-----------------------------------|---|---------|------------------------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Sexual harassment discrimination at workplace | Nil | Nil | Nil | Nil | Nil | Nil |
| Child labour | Nil | Nil | Nil | Nil | Nil | Nil |
| Forced labour/ involuntary Labour Wages | Nil | Nil | Nil | Nil | Nil | Nil |
| Other Human rights related issues | Nil | Nil | Nil | Nil | Nil | Nil |

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

An appropriate complaint mechanism in the form of “sexual harassment Committee” has been created in the Company for time-bound redressal of the complaint made by the victim.

8. Do human rights requirements form part of your business agreements and contracts?

Yes.

9. Assessments for the year:

| | % of your plants and offices that were assessed (by entity) |
|-----------------------------|---|
| Child labor | 100% |
| Forced / involuntary labor | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others – please specify | 100% |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:

There were no significant risks / concerns arising from the human rights assessments.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Nil.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company in the reporting period did not undertake any Human Rights due diligence. The Company’s Human Rights Policy expects all the employees and members of the value chain to abide by its principles.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, we do have the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

| | % of your plants and offices that were assessed (by entity) |
|-----------------------------|--|
| Child labor | 100% |
| Forced / involuntary labor | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others – please specify | 100% |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There were no significant risks / concerns arising from the assessments.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment
ESSENTIAL INDICATORS
1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | Fiscal 2022-23 | Fiscal 2021-22 |
|---|-----------------------|-----------------------|
| Total electricity consumption (A) | 3818820 units | 2674390 units |
| Total fuel consumption (B) | 64267 units | 137862 units |
| Energy consumption through other sources (C) | 11693180 units | 11322760 units |
| Total energy consumption (A+B+C) | 15576267 units | 14135012 units |
| Energy intensity per rupee of turnover (Total energy consumption / turnover in Rupees) | 0.0015 units | 0.0016 units |
| Energy intensity (optional) – the relevant metric may be selected by the entity | - | - |
| Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency | - | - |

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y / N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water:

| Parameter | Fiscal 2022-23 | Fiscal 2021-22 |
|---|-----------------------|-----------------------|
| Water withdrawal by source(in kiloliters) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 140 | 220 |
| (iii) Third-party water | 1902 | 2306 |
| (iv) Seawater / desalinated water | - | - |
| (v) Others (rainwater) | 529686 | 402219 |
| Total volume of water withdrawal (i + ii + iii + iv + v) | 531728 | 404745 |
| Total volume of water consumption | 529321 | 402302 |
| Water intensity per rupee of turnover (Water consumed in litres / turnover) | 0.051 | 0.039 |
| Water intensity (optional) – the relevant metric may be selected by the entity | - | - |
| Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency | - | - |

4. Has the entity implemented Zero Liquid Discharge policy? If yes, provide details of its coverage and implementation
 Yes, KMCH implements water conservation through reduce, reuse, recharge and recycle approach within its campus. The Company reuse treated waste water for th purpose like landscaping, HVAC applications & Flushing. This enables the company to implement ZLD policy.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | Fiscal 2022-23 | Fiscal 2021-22 |
|--|---------------------|----------------|----------------|
| NOx | Metric tonnes | 0.043MT | 0.045 MT |
| SOx | Metric tonnes | 0.0011MT | 0.0013 MT |
| Particulate matter (PM) | Metric tonnes | 0.02MT | 0.0014 MT |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | - | - |
| Others – please specify | - | - | - |
| Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency. | - | - | - |

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

| Parameter | Please specify unit | Fiscal 2023 | Fiscal 2022 |
|---|---------------------------------|-------------|-------------|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 Equivalent | 6.19MT | 29.4 MT |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 Equivalent | 40.5MT | 25.3 MT |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | Gram of CO2 Equivalent | 0.0046 | 0.0028 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | - | - | - |

7. Does the entity have any project related to reducing greenhouse gas emission? If yes, provide details.

Nil

8. Provide details related to waste management by the entity, in the following format:

| Parameter | Fiscal 2023 | Fiscal 2022 |
|---|-------------|-------------|
| Total waste generated (in metric tonnes) | | |
| Plastic waste (A) | 2.0MT | 2.55 MT |
| E-waste (B) | - | 0.16 MT |
| Biomedical waste (C) | 538.7MT | 442.5 MT |

| Parameter | Fiscal 2023 | Fiscal 2022 |
|---|--|--|
| Construction and demolition waste (D) | Land filling | Land filling |
| Battery waste (E) | 3.8MT | 4.5 MT |
| Radioactive waste (F) | Radioactive waste after neutralization sent to general waste disposal. | Radioactive waste after neutralization sent to general waste disposal. |
| Other hazardous waste (Oil-soaked cotton waste, DG filters, paint cans, chemical cans, paint residue, oil sludge, DG chimney soot, coolant oil and used oil) (G) | - | - |
| Other non-hazardous waste generated (Metal, wood, paper / cardboard, textile waste, kitchen oil, mixed waste, garden waste, glass waste, thermocol, rubber, STP sludge) (H) | 88.9MT | 79.0 MT |
| For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes) | | |
| Category of waste | Fiscal 2023 | Fiscal 2022 |
| (i) Recycled | 1.14MT | 3.88 MT |
| (ii) Reused | 22.5MT | 21.6 MT |
| (iii) Other recovery operations | - | - |
| Total | 23.64MT | 25.48 MT |

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have waste management systems in place at all our facilities. Plastic waste is either co-processed or recycled based upon the type of waste generated. E-waste is sold to authorized vendors. Our waste management approach is based on the philosophy of Reduce, Reuse and Recycle. We seek to uphold our ambition of zero waste to landfills through active minimization combined with technology investment in recycling and streamlining systems and processes. With our efforts, we contribute to a circular economy and convert waste to resource.

10. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones) where environmental approvals are required, please specify details in the following format:

Not Applicable.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable. The Company's units are not located in Eco-logically sensitive areas.

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y / N). If not, provide details of all such non-compliances in the following format:

Yes. We are compliant with the applicable environmental law / regulations / guidelines in India.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter | Fiscal 2023 | Fiscal 2022 |
|---|-------------|-------------|
| From renewable sources | | |
| Total electricity consumption (A) | - | - |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | 11693180 | 11322760 |
| Total energy consumption (A+B+C) | 11693180 | 11322760 |
| From non-renewable sources | | |
| Total electricity consumption (D) | 3818820 | 2674390 |
| Total fuel consumption (E) | 64267 | 137862 |
| Energy consumption through other sources (F) | - | - |
| Total energy consumption (D+E+F) | 3883087 | 2812252 |
| Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency | | |

2. Provide the following details related to water discharged:

| Parameter | Fiscal 2023 | Fiscal 2022 |
|--|---|-------------|
| Water discharge by destination and level of treatment (in kiloliters) | | |
| (i) To Surface water | Waste water generated is treated in sewage treatment plants and reused for purposes like landscaping, HVAC applications and flushing. | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| (ii) To Groundwater | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| (iii) To Seawater | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | | |
| No treatment | | |
| With treatment – please specify level of treatment | | |
| (v) Others | | |
| With treatment – please specify level of treatment | | |
| Total water discharged (in kiloliters) | | |
| Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency. | | |

3. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

Not Applicable.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

No such requirements

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives?

The Company has taken initiatives like Tree Plantation.

7. Does the entity have a business continuity and disaster management plan?

Yes, we have the business continuity and Disaster management plan.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Nil

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

Four

b. List of trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

The following are the list of trade and industry chambers/ associations in which the entity is a member:

| S. No | Name of the trade and industry chambers / associations | Reach of trade and industry chambers / associations (State / National) |
|-------|--|--|
| 1 | Federation of Indian Chambers of Commerce & Industry (FICCI) | National |
| 2 | Southern India Chamber of Commerce and Industry(SICCI) | State |
| 3 | Confederation of Indian Industry (CII) | State |
| 4 | Competition and Markets Authority (CMA) | State |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities

Not Applicable. The Company has not received any adverse orders from regulatory authorities.

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

The Company works closely with various trade and industry associations. This includes industry representations to the government and/ or regulators. The Company performs the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and takes into account the Company’s as well as the larger national interest.

The Company believes that policy advocacy must preserve and expand the public good and thus, it does not advocate any policy change to benefit itself or a select few.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

In the reporting year, the Company did not undertake any Social Impact Assessment.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

In the reporting year, the Company did not undertake any ongoing Rehabilitation and Resettlement (R&R) project.

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has internal grievance redressal mechanism in place to address the grievance raised by the stakeholders. The Board reviews the status of the grievance raised, pending, disposed during every quarter.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

| | Fiscal 2023 | Fiscal 2022 |
|---|--------------------|--------------------|
| Directly sourced from MSMEs / small producers | 7.42% | 6.29% |
| Sourced directly from within the district and neighboring districts | - | - |

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the social Impact Assessments (Reference: Question 1 of Essential Indicators above):

In FY2022-23, there were no Social Impact Assessments conducted.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

Refer CSR Report.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups?

No, the Company does not have any preferential procurement policy focusing on suppliers from marginalised/ vulnerable groups.

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR project | No. of persons benefitted from CSR projects (1) | % of beneficiaries from vulnerable and marginalized groups (2) |
|--------|------------------|---|---|
| 1. | Refer CSR Report | | The primary objective of the CSR projects is to reach out to the most vulnerable and marginalized communities from a weak socio-economic background from the rural as well as urban population. |

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

To address customer grievances, we have instituted robust mechanisms and processes. We also have our dedicated team to track and address customer grievances and complaints.

2. Turnover of products / services as a percentage of turnover from all products / services that carry information about Environmental and social parameters relevant to the product, Safe and responsible usage, Recycling and / or safe disposal.

Not applicable

3. Number of consumer complaints in respect of data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices, unfair trade practices

We do not have any consumer complaints in respect of data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices, unfair trade practices.

4. Details of instances of product recalls on account of safety issues

Not applicable

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If yes, provide web-link of the policy.

Yes. With the increased digitization of healthcare data, privacy and cybersecurity have become issues of global concern. A wide variety of data is captured which relates to personal information of patients, sensitive data on diseases, proprietary enterprise data, and confidential financial information. In order to safeguard the privacy of the data captured, both for the patient and as an enterprise, the KMCH Hospitals has put in place a range of measures. These include enterprise wide protocols, software, monitoring, and surveillance as its mainstay. All data privacy, cybersecurity, and digital initiatives are monitored by the IT team.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers, re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Nil.

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://kmchhospitals.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/ or services.

Not applicable.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. Service complaints are communicated through mail.

Not applicable. We don't manufacture any products. We are in healthcare industry.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Not applicable. We don't manufacture any products. We are in healthcare industry.

5. Provide the following information relating to data breaches:

Number of instances of data breaches along-with impact : Nil.

Percentage of data breaches involving personally identifiable information of customers : Nil.

REPORT ON CORPORATE GOVERNANCE
(Annexure to the Thirty Seventh Directors' Report 2022-23)
INTRODUCTION

The Company has adopted the requirements of Corporate Governance as specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), as amended from time to time, the disclosure requirements of which are detailed herein.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

For your Company, good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel the company to take sound decisions, thus maximising long-term shareholder value without compromising on integrity, social obligations and regulatory compliances.

2. BOARD OF DIRECTORS
a. Composition

As on 31st March, 2023, the strength of the Board is thirteen Directors, of which three are Executive Directors. As per SEBI (LODR) Regulations 2015, if the Chairman is an Executive, at least half of the Board should comprise of Independent Directors. There are seven Independent Directors in our Board.

None of the Independent Directors of the Company serve as an Independent Director in more than seven listed Companies and where any Independent Director is serving as whole-time director in any listed company, such director does not serve as an Independent Director in more than three listed Companies.

The number of Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Regulations.

As on 31st March, 2023, none of the Directors on the Board hold the office of Director in more than 10 public Limited Companies. In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all Public Limited Companies in which he/she is a Director. The Audit Committee and Stakeholders Relationship Committee are only committees, considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2023 are given below:

The Board comprises of qualified members who bring in required skills, competence and expertise that allows them to make effective contributions to the Board and its committees. None of the Directors are disqualified during the year. A Certificate of Non-Disqualification of directors from M/s KSR & Co company secretaries LLP, practicing company secretaries is annexed to this report.

Matrix of skills/ expertise/ competence of the Board of Directors

The Board of Directors is satisfied that the current composition reflects and appropriate mix of knowledge, skills, experience, diversity and independence. The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring the management adheres to high standards of ethics, transparency and disclosure.

KMCH requires skill / expertise / competencies in the areas of leadership, finance, capital projects, governance, Government liaison, Hospital Management and new medical advancements and technology absorption, to efficiently carry on its Healthcare and Educational activities.

Details of the core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the business(es) and sector(s) in which it operates to function effectively and the names of directors who possess such skills/ expertise/ competencies.

| Core Skills / Expertise / Competence | Business Leadership | Financial Expertise | Capital Projects | Corporate Governance | Govt. Liaison | Hospital Management & Quality Patient Care | New Medical Advances & Technology Absorption | Medical Education and research |
|--------------------------------------|---------------------|---------------------|------------------|----------------------|---------------|--|--|--------------------------------|
| Dr. Nalla G Palaniswami | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr. Thavamani Devi Palaniswami | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr. Arun N Palaniswami | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Dr. Mohan S Gounder | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| Dr. M.C.Thirumoorthi | ✓ | - | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| Dr. Purani P Palaniswami | ✓ | ✓ | ✓ | ✓ | - | ✓ | ✓ | ✓ |
| Mr. Kasi K Goundan | ✓ | ✓ | ✓ | ✓ | - | ✓ | - | - |
| Dr. M.Manickam | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | ✓ |
| CA. A.M.Palanisamy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | - |
| Mr. K.Saminathan | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | - |
| Mrs. R.Bhuvaneshwari | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | - |
| Mr.A.P.Ammasaiakutti | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | - |
| Dr.K.Kolandaswamy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| S. No. | Name of the Director | Category of Directors | Directorship in other Public Ltd. Companies | Membership and/ or Chairperson of Committees in other Public Ltd. Companies | Directorship in other Listed Companies (Category of Directorship) |
|--------|--------------------------------|---|---|---|---|
| 1 | Dr. Nalla G Palaniswami | Promoter, Non-Independent & Executive | 1 | --- | --- |
| 2 | Dr. Thavamani Devi Palaniswami | Promoter, Non-Independent & Executive | --- | --- | --- |
| 3 | Dr. Arun N Palaniswami | Promoter, Non-Independent & Executive | --- | --- | --- |
| 4 | Dr. Mohan S Gounder | Promoter, Non-Independent & Non-Executive | --- | --- | --- |
| 5 | Dr. M.C.Thirumoorthi | Promoter, Non-Independent & Non-Executive | 1 | --- | Appu Hotels Limited (Independent, Non-Executive) |
| 6 | Dr. Purani P Palaniswami | Promoter, Non-Independent & Non-Executive | --- | --- | --- |
| 7 | Mr. Kasi K Goundan | Independent & Non-Executive | --- | --- | --- |
| 8 | Dr. M.Manickam | Independent & Non-Executive | 8 | 2 | Sakthi Sugars Limited (Chairman and Managing Director, Executive) Sakthi Finance Limited (Chairman, Non-Executive) |
| 9 | CA. A.M.Palanisamy | Independent & Non-Executive | 1 | --- | K.P.R. Mill Limited (Independent, Non-Executive) |
| 10 | Mr. K.Saminathan | Independent & Non-Executive | --- | --- | --- |
| 11 | Mrs. R.Bhuvaneshwari | Independent & Non-Executive | 3 | 4 | Precot Limited (Independent, Non-Executive) Elgi Rubber Company Limited (Independent, Non-Executive) |
| 12 | Mr.A.P.Ammasaiakutti | Independent & Non-Executive | --- | --- | --- |
| 13 | Dr.K.Kolandaswamy | Independent & Non-Executive | --- | --- | --- |

All independent directors possess the requisite qualifications and are very well 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.

The Board confirms that all the Independent Directors of the Company fulfill the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 and are independent of the management.

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

The Board met four times during the financial year 2022-23. The meetings were held on 27th May, 2022, 11th August, 2022, 11th November, 2022 & 10th February, 2023. 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:

| S. No. | Name of the Director | No. of Board Meetings held during the year | No. of Board Meetings attended during the year | 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. Arun N Palaniswami | 4 | 4 | Yes |
| 4 | Dr. Mohan S Gounder | 4 | 4 | Yes |
| 5 | Dr. M.C.Thirumoorthi | 4 | 4 | Yes |
| 6 | Dr. Purani P Palaniswami | 4 | 4 | Yes |
| 7 | Mr. Kasi K Goundan | 4 | 4 | Yes |
| 8 | Dr. M.Manickam | 4 | 2 | No |
| 9 | CA. A.M.Palanisamy | 4 | 4 | Yes |
| 10 | Mr. K.Saminathan | 4 | 4 | Yes |
| 11 | Mrs.R.Bhuvaneshwari | 4 | 4 | Yes |
| 12 | Mr.A.P.Ammasakutti | 4 | 4 | Yes |
| 13 | Dr.K.Kolandaswamy | 4 | 4 | Yes |

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 appraises 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
- e. Risk Management Committee

The Company Secretary of the Company acts as a Secretary for all the above Committee meetings.

a) Audit Committee

The terms of reference of this committee covers matters specified under SEBI (LODR) Regulations 2015 and Section 177 of the Companies Act 2013 and other matters referred by the Board from time to time. The Committee lays emphasis

on adequate disclosures and compliance with all relevant statutes.

Terms of Reference of Audit Committee

The role of the audit committee shall include the following:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders

(in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. Statement of deviations:
 - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

The Board of Directors of the company has formed a Sub-Committee of the Board as Audit Committee consisting of the following members.

Composition of Committee and Attendance of Members:

| S. No. | Name of the Member | Category | Position | No. of meetings held during the year | No. of meetings attended |
|--------|---------------------|----------------------|----------|--------------------------------------|--------------------------|
| 1 | CA.A.M.Palanisamy | Independent Director | Chairman | 4 | 4 |
| 2 | Mr.K.Saminathan | Independent Director | Member | 4 | 4 |
| 3 | Mr.A.P.Ammasakutti | Independent Director | Member | 4 | 3 |
| 4 | Mrs.R.Bhuvaneshwari | Independent Director | Member | 4 | 2 |

During the year the Committee met on 27.05.2022, 11.08.2022, 11.11.2022 and 10.02.2023.

b) Nomination and Remuneration Committee

The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at their 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's 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's 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 carryout evaluation of performance of Independent Directors and their appointments.
8. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and
9. 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, Joint Managing Director and Executive Director for the Financial Year ended 31.03.2023 is paid on the basis of the approval accorded by the shareholders and in accordance with the limits laid down in Schedule V to the Companies Act, 2013.

The Committee also recommends the remuneration, annual increments and changes therein of Managing Director, Joint Managing Director and Executive Director within the limits approved by the Shareholders.

(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 all remuneration, in whatever form payable to Directors, Key Managerial Personnels and Senior Management Personnels of the Company.

(II) Composition of Committee and Attendance of Members:

| S. No. | Name of the Member | Category | Position | No. of meetings held during the year | No. of meetings attended |
|--------|---------------------|----------------------|----------|--------------------------------------|--------------------------|
| 1 | CA.A.M.Palanisamy | Independent Director | Chairman | 3 | 3 |
| 2 | Mr.K.Saminathan | Independent Director | Member | 3 | 3 |
| 3 | Mr.A.P.Ammasaikutti | Independent Director | Member | 3 | 3 |
| 4 | Mrs.R.Bhuvaneshwari | Independent Director | Member | 3 | 2 |

This committee recommends the appointment / reappointment of Executive Directors and the appointment of Key Managerial Personnels and Senior Management Personnels 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 of the Company is the Secretary of the

Committee. During the financial year 2022-23 the committee met on 26.5.2022, 10.8.2022 and 10.11.2022. The Nomination and Remuneration Policy of the company has been disclosed on the website of the company and the web link thereon is :

https://kmchhospitals.com/wp-content/uploads/2016/pdf/Nomination_Remuneration_&_Evaluation_Policy.pdf

(III) REMUNERATION TO DIRECTORS

The details of remuneration paid / payable, sitting fees and commission paid to each Director during the year ended 31st March, 2023 are given below:

(₹ in Lakhs)

| S.No. | Name of the Director | Remuneration | Sitting Fees (Board & Committee Meetings) | Commission | No. of shares held |
|-------|--------------------------------|--------------|---|------------|--------------------|
| 1 | Dr. Nalla G Palaniswami | 128.04 | - | 326.78 | 10,000 |
| 2 | Dr. Thavamani Devi Palaniswami | 115.04 | - | 326.78 | 12,57,485 |
| 3 | Dr. Arun N Palaniswami | 83.97 | - | 163.39 | 10,000 |
| 4 | Dr. Mohan S Gounder | - | 1.20 | - | 10,000 |
| 5 | Dr. M.C.Thirumoorthi | - | 1.20 | - | 6,013 |
| 6 | Dr. Purani P Palaniswami | - | 1.20 | - | 10,000 |
| 7 | Mr. Kasi K Goundan | - | 1.20 | - | - |
| 8 | Dr. M.Manickam | - | 0.60 | - | - |
| 9 | CA. A.M.Palanisamy | - | 6.80 | - | 4,000 |
| 10 | Mr. K.Saminathan | - | 7.00 | - | - |
| 11 | Mrs. R. Bhuvaneshwari | - | 2.40 | - | - |
| 12 | Mr.A.P.Ammasaiyutti | - | 6.80 | - | - |
| 13 | Dr.K.Kolandaswamy | - | 1.20 | - | - |

Out of the total 13 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. The Non-Executive Directors do not draw any remuneration from the company except sitting fees for attending the meetings of the Board and its committees.

There were no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the company during the Financial Year ended 31st March, 2023.

c) Stakeholders Relationship Committee

Terms of Reference

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.

Composition of Committee and Attendance of Members:

| S. No. | Name of the Member | Category | Position | No. of meetings held during the year | No. of meetings attended |
|--------|------------------------|--------------------------------------|----------|--------------------------------------|--------------------------|
| 1 | Dr.Nalla G Palaniswami | Executive, Non- Independent Director | Member | 19 | 19 |
| 2 | CA.A.M.Palanisamy | Independent Director | Chairman | 19 | 19 |
| 3 | Mr.K.Saminathan | Independent Director | Member | 19 | 19 |
| 4 | Mr.A.P.Ammasaikutti | Independent Director | Member | 19 | 19 |
| 5 | Dr.Arun N Palaniswami | Executive, Non- Independent Director | Member | 19 | 19 |

This Committee meets approximately every fortnight to consider the request for transfer of shares and investors' grievance received on regular basis.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates 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 Agent. During the year 2022-23, the committee met on 08.04.2022, 28.04.2022, 23.05.2022, 17.06.2022, 08.07.2022, 16.07.2022, 01.08.2022, 19.08.2022, 15.09.2022, 18.10.2022, 03.11.2022, 14.11.2022, 22.11.2022, 26.12.2022, 20.01.2023, 31.01.2023, 20.02.2023, 01.03.2023 and 28.03.2023.

All the requests and complaints received from the shareholders were attended within the stipulated time and nothing was pending for disposal at the end of the year. CS.R.Ponmanikandan, Company secretary is the Compliance Officer of the Company. For any clarification / complaint, the shareholders may contact CS.R.Ponmanikandan, Company Secretary at the registered office of the Company. During the financial year, there are two complaints received from the shareholders and the two compliance were redressed to the satisfaction of the Shareholders. As on 31.03.2023, the company has no complaints pending from the shareholders.

d) Corporate Social Responsibility (CSR) Committee

In compliance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility ("CSR") Committee.

Composition of Committee and Attendance of Members:

| S. No. | Name of the Member | Category | Status | No. of meetings held during the year | No. of meetings attended |
|--------|-------------------------------|-------------------------------------|----------|--------------------------------------|--------------------------|
| 1 | Dr.Nalla G Palaniswami | Executive, Non-Independent Director | Chairman | 3 | 3 |
| 2 | Dr.Thavamani Devi Palaniswami | Executive, Non-Independent Director | Member | 3 | 3 |
| 3 | Mr.K.Saminathan | Independent Director | Member | 3 | 3 |
| 4 | Mrs.R. Bhuvaneshwari | Independent Director | Member | 3 | 2 |
| 5 | Mr.A.P.Ammasaikutti | Independent Director | Member | 3 | 3 |

During the year the Committee met three times on 26.05.2022, 10.08.2022 and 09.02.2023 and a detailed CSR spending report is appended as Annexure and is forming part of the Directors Report.

e. Risk Management Committee

Terms of Reference

The Risk Management Committee (“RMC”) was constituted in compliance with the provisions of Regulation 21 of SEBI Listing Regulations with majority of Board of Directors as its members. The terms of reference of this Committee are as specified under Regulation 21 of SEBI Listing Regulations, read with Part D of Schedule II. The RMC shall monitor and review the risk management plan of the Company and perform such other functions as mandated by the Board of Directors.

The Board of Kovai Medical Center and Hospital Limited have constituted a Risk Management Committee to identify, assess, monitor and manage its business risk, including any material changes to its risk profile. This Committee meets at least two times a year to monitor, review and manage the risk management processes.

Composition of Committee and Attendance of Members:

| S. No. | Name of the Member | Category | Status | No. of meetings held during the year | No. of meetings attended |
|--------|------------------------|-------------------------------------|----------|--------------------------------------|--------------------------|
| 1 | Dr.Nalla G Palaniswami | Executive, Non-Independent Director | Chairman | 2 | 2 |
| 2 | Dr.Arun N Palaniswami | Executive, Non-Independent Director | Member | 2 | 2 |
| 3 | Mr.A.M.Palanisamy | Independent Director | Member | 2 | 2 |
| 4 | CA.P.K. Gopikrishnan | Chief Financial Officer | Member | 2 | 2 |

During the year the Committee met two times on 10.08.2022 and 02.02.2023.

4. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met one time during the year on 10.02.2023 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 assessed the quality, quantity and timeliness of flow of information between the company management and the Board. The Independent Directors expressed their satisfaction on the performance of the Chairperson and other non-independent Directors on the Board. The terms and conditions of the Appointment / re-appointment of Independent Directors are available on the Company’s website:

<https://www.kmchhospitals.com/wp-content/uploads/2019/09/Letter-of-Appointment-for-Independent-Directors.pdf>

5. DISCLOSURES

a. Related Party Transactions

There was no materially significant related party transactions as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 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. All transactions were undertaken at arm’s length and have taken place in the ordinary course of business. There were no transactions which are material in nature. 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.43 forming part of the Accounts, as required under Indian Accounting Standard 24 of The Institute of Chartered Accountants of India.

The Company has also formulated a policy for determining the Material Related Party Transactions and the details of such policies for dealing with Related Party Transactions and such 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 Exchange and SEBI during the last three years, except, as disclosed from time to time.

The details of penalty paid to the stock exchanges and Ministry of Corporate Affairs for the FY 2022-23: NIL.

c. Accounting Treatment

The Company follows Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 and the Company has not adopted any accounting treatment different from the prescribed Standards.

d. Insider Trading Policy

SEBI (Prohibition of Insider Trading) (Amendment) Regulation 2018 dated 31st December 2018 was introduced bringing amendments to “Code of Conduct for Insider Trading” (<https://www.kmchhospitals.com/Policy/COC.pdf>) and “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” (<https://www.kmchhospitals.com/Policy/COP.pdf>). Consequently, the Board of Directors brought in all the corresponding amendments to the above two Codes and necessary disclosures have been made in our website.

e. CEO / CFO Certification

As required by SEBI (LODR) Regulations, 2015, the CEO and CFO certification on Financial Statements, Cash Flow Statement and Internal Control Systems for financial reporting for the year ended March 31, 2023 have been obtained and incorporated in the Company’s Annual Report.

f. Statutory Auditor’s Remuneration

During the year, the Company has paid remuneration to Statutory Auditor M/s VKS Aiyer & Co., Chartered Accountants as detailed under Note: 36(1) in the Notes to Financial Statements.

g. Compliance with Corporate Governance Norms

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (LODR) Regulations, 2015.

h. Material Subsidiary

The Company does not have any material subsidiary.

i. Familiarisation Program

Details of Familiarisation Program Policy and programs imparted to Independent Directors are available on the Company’s Website: <https://www.kmchhospitals.com/wp-content/uploads/2023/02/Familiarization-Programme-2022-23.pdf>

j. Management Discussion and Analysis Report

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 SEBI (LODR) Regulations, 2015.

k. Unpaid / Unclaimed Dividend

The Ministry of Corporate Affairs notified provisions relating to unpaid / unclaimed dividends under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules. As per the new Rules, dividends not encashed / claimed seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid/ unclaimed for a continuous period of seven years to the demat account of the IEPF Authority. The shareholders whose dividend / shares are transferred to the IEPF Authority can now claim their shares / dividend from the Authority.

In accordance with the IEPF Rules, the Company sent a notice to all shareholders whose shares are due to be transferred to the IEPF Authority and published the requisite advertisement in the newspaper.

In terms of the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016/ Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the amount of ₹ 3.07 Lakhs (Jubilee Dividend) & ₹ 4.14 Lakhs (2014-15) of unclaimed dividend was transferred to the Investor Education

and Protection Fund during the year. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Company's website <https://kmchhospitals.com/wp-content/uploads/2023/06/Unclaimed-Dividend-details-as-on-31.03.2023.pdf>

| S.No. | Financial Year | Date of Declaration of Dividend | Due date for transfer to Investor Education and Protection Fund of Govt. of India |
|-------|--------------------------|----------------------------------|---|
| 1 | 2015-16 | 30 th August, 2016 | 28 th September, 2023 |
| 2 | 2016-17 | 11 th August, 2017 | 09 th September, 2024 |
| 3 | 2017-18 | 06 th August, 2018 | 04 th September, 2025 |
| 4 | 2018-19 | 16 th August, 2019 | 14 th September, 2026 |
| 5 | Interim Dividend 2019-20 | 25 th February, 2020 | 23 th March, 2027 |
| 6 | 2020-21 | 16 th September, 2021 | 14 th October, 2028 |
| 7 | 2021-22 | 7 th September, 2022 | 5 th October, 2029 |

(I) Equity Shares in Suspense Account

As per SEBI (LODR) Regulations 2015, a 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, 2023 shall remain frozen till the rightful owner of such shares claims the shares.

As on 31st March, 2023, there are no shares outstanding in the suspense account.

The Company reports the following details of shares lying in Suspense Account.

- Aggregate Number of Shareholders and the outstanding lying in the Unclaimed Suspense Account at the beginning of the year : Nil
- Number of shareholder who approached issuer for transfer of shares from suspense account during the year and number of shares transferred from IEPF from suspense account during the year : Nil
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. 31st March, 2023 : Nil
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : NIL
- That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares : NIL

6. UNCLAIMED ESCROW SUSPENSE ACCOUNT

As on 31st March, 2023, there are 800 shares outstanding in the Unclaimed Escrow suspense account.

7. 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.

8. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT PERSONNEL

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 SEBI (LODR) Regulations, 2015, the Board members and Senior Management Personnel have affirmed compliance with the code of conduct for the Financial Year 2022-23.

9. REGISTRAR & SHARE TRANSFER AGENT AND DEPOSITORY REGISTRAR

M/s GNSA Infotech Private Limited is the Registrar for the demat segment and also the 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 Private 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

10. (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 dispatched within the stipulated time under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, 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 SEBI (LODR) Regulations, 2015 was obtained from a Company Secretary in Practice and filed with the Stock Exchange.

(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 31.3.2023, 95.27% 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.

11. 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 SEBI (LODR) Regulations, 2015. 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, annual financial statements and other required information to the shareholders are posted on the Company's website : www.kmchhospitals.com.

12. SHAREHOLDERS MEETING

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

| | |
|-------------------------|---------------------------|
| Particulars | 36 th AGM 2022 |
| Date of the meeting | 07.09.2022 |
| No. of Members Attended | 41 |
| No. of Proxies Attended | - |

| | |
|-------------------------|------------------------|
| Chairman of the Meeting | Dr.Nalla G Palaniswami |
| Chief Financial Officer | CA. M.K.Ravindra Kumar |
| Company Secretary | CS .S.P. Chittibabu |

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

| Year | Date | Venue | Time |
|---------|------------|--|------------|
| 2021-22 | 07.09.2022 | 99 Avanashi Road, Coimbatore – 641 014 through Video Conferencing (VC) / Other Audio Visual Means (OAVM) | 04.00 p.m |
| 2020-21 | 16.09.2021 | 99 Avanashi Road, Coimbatore – 641 014 through Video Conferencing (VC) / Other Audio Visual Means (OAVM) | 04.00 p.m |
| 2019-20 | 19.09.2020 | 99 Avanashi Road, Coimbatore – 641 014 through Video Conferencing (VC) / Other Audio Visual Means (OAVM) | 04.00 p.m. |

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

At the Annual General Meeting held on September 19, 2020:

- Re-appointment of Joint Managing Director

At the Annual General Meeting held on September 16, 2021:

- Revision in terms of Remuneration of Executive Director

At the Annual General Meeting held on September 07, 2022:

- Re-appointment of Non- Executive Director.

13. GENERAL SHAREHOLDERS INFORMATION

| | | |
|----|---|--|
| a. | AGM Date and time | 25 th August 2023 at 4.00 p.m. (IST) Through Video Conferencing(VC) / Other Audio Visual Means (OAVM) |
| b. | Financial Calendar | |
| | 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 | 12.08.2023 to 25.08.2023 (both days inclusive) |
| d. | Dividend Payment Date | On or before 24 th September, 2023 |
| e. | Listing of | |
| | i. Equity Shares | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 |
| | ii. Listing Fees | Paid for the above Stock Exchange for 2022-23 |
| f. | Custodial Fees | Paid the fees to NSDL and CDSL for 2022-23. |
| g. | Compliance Officer & Address for Correspondence | CS. R.Ponmanikandan, Company Secretary 99, Avanashi Road, Coimbatore – 641 014. |
| h. | Stock Exchange Security Code for Equity Shares : Bombay Stock Exchange Limited | Security Code: 523323 Security ID : KOVAI |
| i. | Demat ISIN Numbers in NSDL & CDSL for Equity Shares | INE 177F01017 |

| | |
|-------------|--|
| j. Branches | 1. KMCH – City Center, 18, Vivekananda Road, Ram Nagar, Coimbatore – 641 009. |
| | 2. KMCH – Speciality Hospital, 16, Palaniappa Street, Erode – 638 009. |
| | 3. KMCH – Sulur Hospital, 242-B, Trichy Road, Coimbatore – 641 402. |
| | 4. KMCH – Kovilpalayam Hospital, 87C, Sathy Main Road, Sarkar Samakulam, Kovilpalayam, Coimbatore - 641107 |
| | 5. KMCHIHSR – Medical College Hospital, 99 Avanasshi Road, Coimbatore – 641 014 |

14. RECONCILIATION OF SHARE CAPITAL AUDIT

For each of the quarter in the Financial Year 2022-23, a qualified Practicing Company Secretary, carried out Share Capital Audit 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.

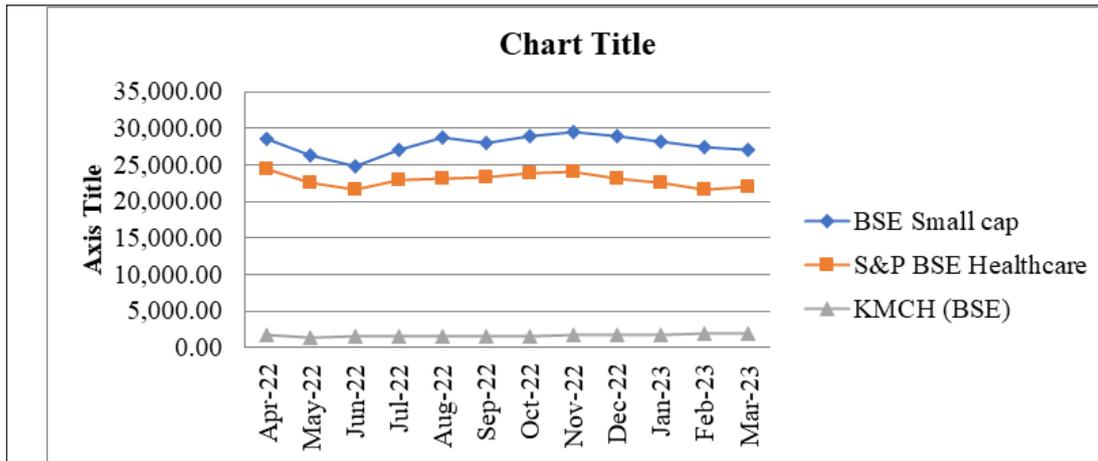
The Audit Reports confirm the total issued/paid-up capital, is in agreement with total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL and in respect of the above, quarterly Secretarial Audit Reports were filed with the Stock Exchange.

15. STOCK MARKET DATA

Monthly high and low quotations of shares traded on BSE Limited for the period April 2022 to March 2023 is given below.

| Month | High | Low |
|----------------|---------|---------|
| April 2022 | 1793.40 | 1603.05 |
| May 2022 | 1660.00 | 1401.00 |
| June 2022 | 1614.00 | 1311.60 |
| July 2022 | 1544.00 | 1450.00 |
| August 2022 | 1549.25 | 1446.65 |
| September 2022 | 1655.90 | 1460.65 |
| October 2022 | 1592.25 | 1452.90 |
| November 2022 | 1843.00 | 1485.85 |
| December 2022 | 1924.95 | 1628.30 |
| January 2023 | 1800.00 | 1671.20 |
| February 2023 | 2091.95 | 1666.00 |
| March 2023 | 1950.00 | 1791.00 |

(in ₹)


16. DISTRIBUTION OF SHAREHOLDERS
a. Distribution of shareholding as at 31st March 2023

| No. of Equity Shares (Slab) | No. of Shareholders | Percentage of Shareholders | Nos. | Percentage of Shareholding |
|-----------------------------|---------------------|----------------------------|-----------------|----------------------------|
| 1 – 500 | 8784 | 90.80 | 697281 | 6.37 |
| 501 – 1000 | 440 | 4.55 | 375536 | 3.43 |
| 1001 – 2000 | 159 | 1.64 | 235410 | 2.15 |
| 2001 – 3000 | 77 | 0.80 | 196043 | 1.79 |
| 3001 – 4000 | 27 | 0.28 | 95606 | 0.87 |
| 4001 – 5000 | 32 | 0.33 | 151834 | 1.39 |
| 5001 – 10000 | 62 | 0.64 | 481895 | 4.40 |
| Above 10000 | 93 | 0.96 | 8708657 | 79.60 |
| Total | 9674 | 100.00 | 10942262 | 100.00 |

b. Category of Shareholders as on 31st March 2023

| S. No. | Category of Shareholders | Total Number of Shares | Percentage (%) |
|--------|----------------------------|------------------------|----------------|
| 1 | Alternate Investment Fund | 16129 | 0.15 |
| 2 | Body Corporate | 479942 | 4.39 |
| 3 | Clearing Member | 942 | 0.01 |
| 4 | Director Relatives | 57370 | 0.52 |
| 5 | Foreign Portfolio Investor | 238889 | 2.18 |
| 6 | IEPF | 166034 | 1.52 |
| 7 | Individual | 2382338 | 21.77 |
| 8 | Mutual Fund | 209703 | 1.92 |
| 9 | Non-Resident Indians | 1265838 | 11.57 |
| 10 | Promoters | 6124627 | 55.97 |
| 11 | Trusts | 450 | 0.00 |
| | Total | 10942262 | 100 |

For and on behalf of the Board

Sd/-
DR. NALLA G PALANISWAMI
MANAGING DIRECTOR
DIN: 00013536

Sd/-
CA.A.M.PALANISAMY
DIRECTOR
DIN: 00112303

Place: Coimbatore
Date : 29.05.2023

DECLARATION BY THE MANAGING DIRECTOR UNDER SEBI (LODR) REGULATIONS 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Regulation 34 (3) read with para D of schedule V of SEBI (LODR) Regulations, 2015, 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, 2023.

For Kovai Medical Center and Hospital Limited

Sd/-

DR. NALLA G PALANISWAMI
MANAGING DIRECTOR
DIN: 00013536

Place: Coimbatore
Date : 29.05.2023

To
The Board of Directors
Kovai Medical Center and Hospital Limited
Coimbatore.

**CERTIFICATE PURSUANT TO REGULATION 17(8) AND PART B OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015
FOR THE FINANCIAL YEAR 2022-23**

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

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. 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.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
 1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system over financial reporting. However, during the year there was no such instance.

Place: Coimbatore
Date : 29.05.2023

Sd/-
DR. NALLA G PALANISWAMI
MANAGING DIRECTOR

Sd/-
CA. P.K.GOPIKRISHNAN
CHIEF FINANCIAL OFFICER

**CERTIFICATE OF CORPORATE GOVERNANCE**

To

The Members of Kovai Medical Center and Hospital Limited
Coimbatore

In pursuance of the provisions of Regulation-E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the LODR), I have examined the relevant records of **Kovai Medical Center and Hospital Limited, CIN: L85110TZ1985PLC001659** (the Company) for the purpose of certifying the compliance of conditions of Corporate Governance stipulated in Chapter IV of the LODR for the year ended on 31st March, 2023.

Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the 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 and the representations made by the Management, I certify that the Company had complied with the conditions of Corporate Governance as per Chapter IV of the LODR for the period from 01st April, 2022 to 31st March, 2023.

I further 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.

Place: Coimbatore
Date : 23.05.2023

Sd/-
K. Duraisami
Company Secretary in Practice
Membership No:6792
C P No: 18308
UDIN: F006792E000358871
PR No. 1862/2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Members,
Kovai Medical Center and Hospital Limited,
99, Avanashi Road, Coimbatore - 641 014.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kovai Medical Center and Hospital Limited having CIN: L85110TZ1985PLC001659 and having registered office at 99, Avanashi Road, Coimbatore - 641 014 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

| S. No. | Name of Director | DIN | Date of appointment in Company | Date of last re-appointment |
|--------|-------------------------------|----------|--------------------------------|-----------------------------|
| 1. | Dr.Nalla G Palaniswami | 00013536 | 01.10.1989 | 01.10.2019 |
| 2. | Dr.Thavamani Devi Palaniswami | 00012135 | 29.07.2000 | 29.07.2020 |
| 3. | Dr.Arun N Palaniswami | 02706099 | 25.09.2015 | 25.09.2018 |
| 4. | Dr.Mohan S Gounder | 02479218 | 31.07.2004 | 19.09.2020 |
| 5. | Mr.Kasi K Goundan | 01145935 | 03.09.2014 | 03.09.2019 |
| 6. | Dr.M.Manickam | 00102233 | 03.09.2014 | 03.09.2019 |
| 7. | Mr.A.M.Palanisamy | 00112303 | 03.09.2014 | 03.09.2019 |
| 8. | Dr.M.C.Thirumoorthi | 00129814 | 16.09.1985 | 07.09.2022 |
| 9. | Mr.K.Saminathan | 01104196 | 03.09.2014 | 03.09.2019 |
| 10. | Mrs.R.Bhuvaneshwari | 01628512 | 03.09.2019 | - |
| 11. | Dr.Purani P Palaniswami | 02707233 | 03.09.2014 | 16.09.2021 |
| 12. | Mr.A.P.Ammasaiyappan | 00909930 | 03.06.2021 | - |
| 13. | Dr.K.Kolandraswamy | 06702305 | 01.08.2021 * | - |

* Date of appointment shown in MCA is 28/07/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co Company Secretaries LLP

Sd/-

DR. C.V. MADHUSUDHANAN

PARTNER

(FCS: 5367; CP: 4408)

UDIN: F005367E000410013

PR No.2635/2022

Place: Coimbatore
Date : 29.05.2023

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

We have audited the accompanying Ind AS financial statements of Kovai Medical Center and Hospital Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. We have determined that there are no key audit matters to communicate in our Audit Report.

Information other than the Financial Statements and Auditor's report thereon

The Company's Management and the Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the annual report for example, Directors report and Management analysis including annexures thereon but does not include the Financial Statements and our auditor's report thereon.

The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, as stated above, which is expected to be received after the date of our audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these 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 relevant rules issued thereunder. 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 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.

In preparing the Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management and the Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and the Board of Directors.
- Conclude on the appropriateness of the Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work

and in evaluating the results of our work and (ii) evaluating the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order.

1. (A) 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, we give our separate report in "Annexure 2".

(B) 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, 2021, 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 as on March 31, 2023 on its financial position in its Financial Statements – Refer Note no. 42 on Contingent Liabilities and to the Financial Statements;
- 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.

iv.

- a. The Management has represented that, to the best of its knowledge and belief, as stated in note no. 56 (iii) to the financial statement, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 56 (iii) of the financial statement, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c. The Management has represented, that, to the best of its knowledge and belief, as stated in note no. 56 (iii) of the financial statement, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- v. The final dividend proposed with respect to previous year, declared and paid by the company during the year in compliance with section 123 of the Companies Act 2013 as applicable.

As stated in note no. 52 to the Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(C) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid /provided by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/provided to any director is not in excess of the limit laid down under Section 197 of the Companies Act.

For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Registration No.: 000066S

Sd/-

C S Sathyanarayanan
Partner
Membership No. 028328

Place : Coimbatore
Date : 29.05.2023
UDIN : 23028328BGUEXM3146

ANNEXURE 1 TO THE 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 audit of financial statement for the year ended 31-03-2023]

In our opinion and to the best of knowledge and belief, the books of accounts and records examined by us and according to the information and explanations given to us, we report that,

(i) (a)

(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Company has a regular program of verification of property, plant and equipment, by which all the property, plant and equipment are verified in a phased manner over a period of three years. This periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Material discrepancies noticed on such verification have been properly dealt with in the books of account.

(c) The title deeds of all the immovable properties, recorded as property, plant and equipment (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company except for the following:

| Description of immovable properties | Gross Carrying Value As at 31-03-2023 | Held in the Name of | Whether promoter, director or their relative or employee | Period held (Indicate Range wherever appropriate) | Reason for not being held in name of Company |
|-------------------------------------|---------------------------------------|------------------------------|--|---|---|
| Land | 5,490.00 | The Karur Vysya Bank Limited | No | 6 Months | The property was purchased on auction for which the registration formalities are pending. |
| ROU- Leasehold Building | 4,167.44 | 7 No. of cases | No | Various period | Registration of Lease Agreement is pending |
| ROU- Leasehold land | 50.51 | 1 No. of cases | No | Various period | Registration of Lease Agreement is pending |

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) There were no proceedings initiated or pending against the Company for holding any benami property under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the management at reasonable intervals. The coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No Discrepancies were noticed on physical verification between the physical stock and the book records that were 10% or more in the aggregate for each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. As per specific terms of working capital sanction, the company is not required to file any current assets statement with the bank. Hence, reporting on the quarterly returns or statements filed by the Company with such banks or financial institutions is not applicable.

(iii) The Company has made investments in companies during the year, but did not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year, and hence reporting under clause (iii)(a), (c),(d), (e) and (f) of the Order are not applicable.
- (b) The investments made are not prejudicial to the Company's interests.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Provident Fund, however, delay in deposit has not been serious.
- (b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- (c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

| Name of Statute | Nature of dues | Amount (₹ Lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks/Amount paid under protest |
|------------------------------------|----------------|------------------|------------------------------------|--|-----------------------------------|
| Customs Act, 1962 | Customs Duty | 189.46 | 1999-2000 & 2000-2001 | Madras High Court, Chennai | - |
| Income Tax Act, 1961 | Income Tax | 0.80 | 2015-16 | Commissioner of Income Tax (Appeals-1), Coimbatore | - |
| Employees Provident Fund Act, 1952 | Provident Fund | 337.71 | 2016-2019 | The Central Government Industrial, Tribunal-Cum-Labour Court, Chennai, | ₹ 168.85 Lakhs |
| Income Tax Act, 1961 | Income Tax | 487.82 | AY 2016-17 | Commissioner Of Income Tax (National Faceless Appeals Centre), Delhi | ₹ 243.11 lakhs |

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix)(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) & (f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year. No fraud by the Company has been noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statement etc. as required by the applicable accounting standards.
- (xiv)(a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the draft internal audit reports issued to the Company during the year and covering the period April 2022 to March 2023.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, reporting under clause (xv) of the Order is not applicable.
- (xvi)(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a) & (b) of the Order is not applicable.
- (b) The Company is not a Core Investment Company as defined in the regulation made by RBI and hence reporting under clause (xvi)(c) of the Order is not applicable
- (c) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all

liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In respect of other than ongoing projects, the Company is yet to transfer the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date and the time period for such transfer i.e., six months from the expiry of the financial year, has not elapsed till the date of our report.

In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Unspent CSR account within a period of 30 days from the end of the financial year and is in compliance with the provision of section 135(6) of the Act.

For VKS Aiyer & Co.

Chartered Accountants

ICAI Firm Registration No: 000066S

Sd/-

C S Sathyanarayanan

Partner

Membership No. 028328

Place : Coimbatore

Date : 29.05.2023

UDIN :23028328BGUEXM3146

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 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 audit of financial statements for the year ended March 31,2023]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kovai Medical Center and Hospital Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial

reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Registration No.: 000066S

Sd/-

C S Sathyanarayanan
Partner
Membership No. 028328

Place : Coimbatore
Date : 29.05.2023
UDIN :23028328BGUEXM3146

BALANCE SHEET AS AT 31st MARCH 2023

₹ in lakhs

| Particulars | Notes | As at March 31, 2023 | As at March 31, 2022 |
|---|-------|----------------------|----------------------|
| I ASSETS | | | |
| A. Non-Current Assets | | | |
| a) Property, Plant and Equipment | 2 | 1,05,413.34 | 1,04,838.69 |
| b) Right of use assets | 3 | 3,181.19 | 3,362.36 |
| c) Capital work-in-progress | 4 | 2,332.38 | 545.80 |
| d) Intangible assets | 5 | 160.10 | 252.60 |
| e) Financial Assets | | | |
| i) Investments | 6 | 26.40 | 20.30 |
| ii) Other financial assets | 7 | 2,752.24 | 958.08 |
| f) Other non-current assets | 8 | 441.21 | 474.44 |
| Total non-current assets - (A) | | 1,14,306.86 | 1,10,452.27 |
| B. Current Assets | | | |
| a) Inventories | 9 | 1,372.40 | 1,257.52 |
| b) Financial Assets | | | |
| i) Trade receivables | 10 | 2,527.92 | 1,932.30 |
| ii) Cash and cash equivalents | 11 | 1,795.19 | 545.30 |
| iii) Bank balances other than cash and cash equivalents | 12 | 23,063.82 | 19,278.63 |
| iv) Other financial assets | 13 | 569.71 | 410.25 |
| c) Other current assets | 14 | 569.21 | 389.43 |
| Total current assets - (B) | | 29,898.25 | 23,813.43 |
| Total Assets (A+B) | | 1,44,205.11 | 1,34,265.70 |
| II EQUITY AND LIABILITIES | | | |
| A. Equity | | | |
| a) Equity share capital | 15 | 1,094.23 | 1,094.23 |
| b) Other equity | 16 | 70,810.20 | 59,836.65 |
| Total Equity - (A) | | 71,904.43 | 60,930.88 |
| B. Non-Current Liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 17 | 44,736.75 | 48,336.66 |
| ii) Lease liabilities | 18 | 3,571.26 | 3,722.73 |
| iii) Other financial liabilities | 19 | 42.69 | 26.99 |
| b) Provisions | 20 | 1,880.59 | 1,494.85 |
| c) Deferred tax liabilities (Net) | 21 | 3,550.53 | 3,398.17 |
| d) Other non-current liabilities | 22 | 9.85 | 53.45 |
| Total non-current liabilities - (B) | | 53,791.67 | 57,032.85 |
| C. Current Liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 23 | 2,562.32 | 2,792.31 |
| ii) Lease liabilities | 24 | 220.94 | 167.40 |
| iii) Trade payables | 25 | | |
| (a) Dues to micro and small enterprises | | 78.95 | 54.54 |
| (b) Dues to others | | 2,654.45 | 1,367.11 |
| iv) Other financial liabilities | 26 | 5,167.40 | 4,188.05 |
| b) Other current liabilities | 27 | 7,239.62 | 7,013.37 |
| c) Provisions | 28 | 582.02 | 719.19 |
| d) Current Tax liabilities (net) | 29 | 3.31 | - |
| Total current liabilities - (C) | | 18,509.01 | 16,301.97 |
| Total Equity and Liabilities (A+B+C) | | 1,44,205.11 | 1,34,265.70 |

Significant Accounting Policies and the accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For VKS Aiyer & Co

Chartered Accountants

ICAI Firm Registration No: 000066S

Sd/-

C S SATHYANARAYANAN

Partner

Membership No. 028328

Place: Coimbatore

Date : 29.05.2023

Sd/-

Dr. NALLA G PALANISWAMI

Managing Director

DIN: 00013536

Sd/-

CA. P.K. GOPIKRISHNAN

Chief Financial Officer

Sd/-

CA. A.M. PALANISAMY

Director

DIN: 00112303

Sd/-

CS. R. PONMANIKANDAN

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2023

₹ in lakhs

| Particulars | | Notes | 2022-23 | 2021-22 |
|-------------|--|-------|--------------------|------------------|
| I | Revenue from Operations | 30 | 1,01,974.68 | 90,532.67 |
| II | Other Income | 31 | 1,598.77 | 1,249.53 |
| III | Total Income (I+II) | | 1,03,573.45 | 91,782.20 |
| IV | EXPENSES | | | |
| | Cost of Medicines & Hospital consumables consumed | 32 | 28,284.31 | 25,627.38 |
| | Employee benefits expense | 33 | 17,969.70 | 15,076.07 |
| | Finance Costs | 34 | 4,015.61 | 4,323.01 |
| | Depreciation and amortisation expense | 35 | 8,912.50 | 8,542.82 |
| | Other Expenses | 36 | 28,869.34 | 24,145.09 |
| | Total Expenses (IV) | | 88,051.46 | 77,714.37 |
| V | Profit before tax (III -IV) | | 15,521.99 | 14,067.83 |
| VI | Tax expense | 37 | | |
| | Current tax | | 3,918.00 | 3,523.28 |
| | Taxation for earlier years | | (106.98) | (25.33) |
| | Deferred tax | | 134.36 | 143.82 |
| VII | Profit for the year (V - VI) | | 11,576.61 | 10,426.06 |
| VIII | Other Comprehensive Income | | | |
| | i) Items that will not be reclassified to profit or loss: | | | |
| | a) Re-measurement of post-employment benefit obligations | | 67.90 | (227.48) |
| | b) Changes in equity instruments measured at FVTOCI | | 3.57 | 4.65 |
| | ii) Income tax relating to items that will not be reclassified to profit or loss | | (17.99) | 56.08 |
| IX | Total Comprehensive Income for the year (VII + VIII) | | 11,630.09 | 10,259.31 |
| X | Earnings Per Equity Share (In Rupees) | | | |
| | Basic / Diluted (Face Value of ₹ 10 Each) | 40 | 105.80 | 95.28 |

Significant Accounting Policies and the accompanying notes are an integral part of the Financial Statements

As per our report of even date
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No: 000066S
Sd/-
C S SATHYANARAYANAN
Partner
Membership No. 028328

Place: Coimbatore

Date : 29.05.2023

For and on behalf of the Board of Directors
Sd/-
Dr. NALLA G PALANISWAMI
Managing Director
DIN: 00013536
Sd/-
CA. A.M. PALANISAMY
Director
DIN: 00112303
Sd/-
CA. P.K. GOPIKRISHNAN
Chief Financial Officer
Sd/-
CS. R. PONMANIKANDAN
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023
A. Equity Share Capital

| Particulars | ₹ in Lakhs |
|---|------------|
| Balance as at 1 st April 2021 | 1,094.23 |
| Changes in Equity share capital during the year | - |
| Balance as at 31 st March 2022 | 1,094.23 |
| Changes in Equity share capital during the year | - |
| Balance as at 31 st March 2023 | 1,094.23 |

B. Other Equity

₹ in Lakhs

| Particulars | Reserve and Surplus | | | Items of Other Comprehensive Income (OCI) | | Total |
|--|---------------------|-----------------|-------------------|---|--------------------|------------------|
| | Capital Reserve | General Reserve | Retained Earnings | Equity instruments through OCI | Other items of OCI | |
| Balance as at April 01, 2021 | 14.86 | 4,244.95 | 45,495.78 | 6.96 | 143.06 | 49,905.61 |
| Add: Profit for the year | - | - | 10,426.06 | - | - | 10,426.06 |
| Add: Other Comprehensive Income for the year (Net of taxes) | - | - | - | 4.65 | (171.40) | (166.75) |
| Less: Dividend | - | - | 328.27 | - | - | 328.27 |
| Balance as at March 31, 2022 | 14.86 | 4,244.95 | 55,593.57 | 11.61 | (28.34) | 59,836.65 |
| Add: Profit for the year | - | - | 11,576.61 | - | - | 11,576.61 |
| Add: Other Comprehensive Income for the year (Net of taxes) | - | - | - | 3.57 | 49.91 | 53.48 |
| Less: Dividend | - | - | 656.54 | - | - | 656.54 |
| Balance as at March 31, 2023 | 14.86 | 4,244.95 | 66,513.64 | 15.18 | 21.57 | 70,810.20 |

Significant Accounting Policies and the accompanying notes are an integral part of the Financial Statements

As per our report of even date

For VKS Aiyer & Co

Chartered Accountants

ICAI Firm Registration No: 000066S

Sd/-

C S SATHYANARAYANAN

Partner

Membership No. 028328

Place: Coimbatore

Date : 29.05.2023

For and on behalf of the Board of Directors

Sd/-

Dr. NALLA G PALANISWAMI

Managing Director

DIN: 00013536

Sd/-

CA. A.M. PALANISAMY

Director

DIN: 00112303

Sd/-

CA. P.K. GOPIKRISHNAN

Chief Financial Officer

Sd/-

CS. R. PONMANIKANDAN

Company Secretary

A. CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023

₹ in Lakhs

| Particulars | 31 st March 2023 | | 31 st March 2022 | |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
| A. CASH FLOW FROM /(USED IN) OPERATING ACTIVITIES: | | | | |
| Profit before tax for the year | | 15,521.99 | | 14,067.83 |
| Adjustments for: | | | | |
| Depreciation and amortisation expense | 8,912.50 | | 8,542.82 | |
| Exchange fluctuation loss/(gain), net | (1.32) | | (0.28) | |
| Finance cost | 4,000.54 | | 4,302.46 | |
| Dividend Income | (0.40) | | | |
| Non Cash transactions | 25.59 | | 6.94 | |
| Loss/(profit) on Sale of Property,Plant & equipment (net) | (3.56) | | 93.27 | |
| | | 12,933.35 | | 12,945.21 |
| Operating profit before working capital changes | | 28,455.34 | | 27,013.04 |
| (Increase) / Decrease in non current & current financial assets | (2,733.97) | | (402.73) | |
| (Increase) / Decrease in other non current & current assets | (233.36) | | (94.58) | |
| (Increase) / Decrease in non current & current financial liabilities | 2,584.83 | | 881.56 | |
| (Decrease) / Increase in other non current & current liabilities | 1,947.98 | | 2,642.32 | |
| | | 1,565.48 | | 3,026.57 |
| Cash generated from operations | | 30,020.82 | | 30,039.61 |
| Income tax paid | | (3,729.60) | | (3,860.60) |
| Net cash from operating activities (A) | | 26,291.22 | | 26,179.01 |
| B. CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES: | | | | |
| Purchase of Property, Plant & Equipment, Capital work in progress & Intangible assets | (12,739.58) | | (9,926.31) | |
| Proceeds from Sale of Property, Plant & Equipment | 55.86 | | 16.77 | |
| Investment in Equity Instruments | (2.53) | | - | |
| Dividend Income | 0.40 | | - | |
| Net cash from /(used in) investing activities (B) | | (12,685.85) | | (9,909.54) |
| C. CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES: | | | | |
| Long term Borrowings (Net of Repayment) | (2,832.33) | | (7,306.42) | |
| Short term Borrowings (Net) | (997.57) | | 129.26 | |
| Repayment of lease liabilities | (429.84) | | (431.84) | |
| Finance Cost paid | (3,652.65) | | (3,966.05) | |
| Dividend Paid | (657.90) | | (328.48) | |
| Net cash from/(used in) financing activities (C) | | (8,570.29) | | (11,903.53) |
| Net increase /(decrease) in cash and cash equivalents (A+B+C) | | 5,035.08 | | 4,365.94 |
| Cash and cash equivalents at the beginning of the year | | 19,823.93 | | 15,457.99 |
| Less: Bank Balances not considered as Cash & Cash equivalents as per Ind AS 7 | | 23,063.82 | | 19,278.63 |
| Cash and Cash equivalents at the end of the year (Refer note no.11) | | 1,795.19 | | 545.30 |

B. CHANGES IN LIABILITY ARISING FROM FINANCING ACTIVITIES, DISCLOSING CHANGES ARISING FROM CASH AND NON CASH FLOW :

₹ in Lakhs

| Particulars | Non Current Borrowings (including Current Maturities) | Current Borrowings | Lease liability (including Current Maturities) |
|--|---|--------------------|--|
| Opening Balance as at 1st April, 2021 | 57,428.75 | 877.38 | 3,985.56 |
| Cash flows (Net) – Proceeds / Repayment) | (7,306.42) | 129.26 | (431.84) |
| Addition / Adjustments during the year – Impact on account of Ind AS 116 | - | - | 336.41 |
| Termination of Lease - Impact on account of Ind AS 116 | - | - | - |
| Closing Balance as at 31st March, 2022 | 50,122.33 | 1,006.64 | 3,890.13 |
| Cash flows (Net) – Proceeds / Repayment) | (2,832.33) | (997.57) | (429.84) |
| Addition / Adjustments during the year – Impact on account of Ind AS 116 | - | - | 331.91 |
| Termination of Lease - Impact on account of Ind AS 116 | - | - | - |
| Closing Balance as at 31st March, 2023 | 47,290 | 9.07 | 3,792.20 |

The above Cash Flow has been prepared under the “Indirect Method” as set out in Ind AS 7-Statement of Cash Flow

Significant Accounting Policies and the accompanying notes are an integral part of the Financial Statements

As per our report of even date
 For VKS Aiyer & Co
 Chartered Accountants
 ICAI Firm Registration No: 000066S
 Sd/-
C S SATHYANARAYANAN
 Partner
 Membership No. 028328
 Place: Coimbatore
 Date : 29.05.2023

For and on behalf of the Board of Directors
 Sd/-
Dr. NALLA G PALANISWAMI
 Managing Director
 DIN: 00013536

Sd/-
CA. A.M. PALANISAMY
 Director
 DIN: 00112303

Sd/-
CA. P.K. GOPIKRISHNAN
 Chief Financial Officer

Sd/-
CS. R. PONMANIKANDAN
 Company Secretary

ACCOUNTING POLICIES AND NOTES
Notes to the Financial Statements for the year ended 31st March, 2023
Note 1
A. CORPORATE INFORMATION

Kovai Medical Center and Hospital Limited (“the Company”) is a Public Company 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 satellite centers at Coimbatore (in the name of City center, Sular Hospital and Kovilpalayam Hospital) and Erode (in the name of Erode Speciality Hospital).

The Company started MBBS Educational activities with the commencement of Medical College in the year 2019-20 with the title of KMCH Institute of Health Sciences & Research as per the norms prescribed by Government of India. A Medical college can be established only with the establishment of a Medical College Hospital.

The company’s equity shares are listed in Bombay Stock Exchange (BSE).

B. SIGNIFICANT ACCOUNTING POLICIES
I. General Information and Statement of compliance

These Financial Statements (‘Financial Statements’) of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified by Ministry of Corporate Affairs (‘MCA’) under Section 133 of the Companies Act, 2013 (‘the Act’) read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

The Company’s Financial Statements were authorized for issue as per the resolution of the Board of Directors dated 29th May, 2023.

II. Basis of Preparation and Presentation

The Financial Statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013.

The Financial Statements have been prepared & presented on the historical convention and on accrual basis, except for the following material items in the Balance Sheet:

- Financial assets are measured either at fair value or at amortised cost depending on their classification;
- Employee defined benefit assets/ liabilities are recognised as the net total of fair value of plan assets, adjusted for actuarial gains/losses and the present value of defined benefit obligations;
- Long term borrowings are measured at amortised cost using the effective interest rate method;
- Assets held for sale are measured at fair value less cost to sell.
- Right -of - use of assets are recognised at the present value of lease payments that are not paid on that date. This amount is adjusted for any lease payment made at or before the commencement of the lease and initial direct cost incurred, if any.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Financial Statements is determined on the basis stated above and measurements that have some similarities to fair value but are not fair value, such as net recognised value in Ind AS 2 or value in use under Ind AS 36.

III. Use of Estimates

The preparation of Financial Statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these Financial Statements have been disclosed separately under the heading “Significant accounting Judgements, Estimates and Assumption”.

IV. Current versus Non-Current classification

The entity presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is classified as current, when:

- a) It is expected to be realised or intended to be sold or consumed in normal operating cycle.
- b) It is held primarily for the purpose of trading.
- c) It is expected to be realised within twelve months after the reporting period, or
- d) It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current, when:

- a) It is expected to be settled in normal operating cycle.
- b) It is held primarily for the purpose of trading.
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The entity classifies all other liabilities as non-current. Deferred tax assets and liabilities are always classified as non-current assets and liabilities.

V. Revenue Recognition

a) Revenue from Healthcare Services

Revenue from Healthcare services income includes revenue generated from inpatient and outpatient hospital services. These services comprise of physical examination, consultancy, treatments, surgeries, tests, clinical examination and other fees such as room and accommodation charges, nursing care, dietary, use of medical equipment and supply of pharmaceutical and related products. Revenue for these services are recognised (net off discretionary allowances, discount, and concession) at the transaction price when each performance obligation is satisfied at a point in time when the inpatient / outpatient has received their services. Generally, each of these services represents a separate performance obligation for which revenue is recognized.

Unbilled revenue is recorded for the service where the patients are not discharged and invoice is yet to be raised for the service rendered. Revenue is measured at the fair value of the consideration received or receivable.

b) Sale of Goods

Revenue from dietary / pharmacy sales and other associate services, where the performance obligation is satisfied at a point of time, is recognized when the control of goods is transferred to the customer.

c) Revenue from Educational Courses

Revenue from Course Fee is recognized on a straight-line basis to match with the entity's efforts / inputs that are expended evenly throughout the performance period. Other related revenues such as registration fee, course material fee are recognized as revenue when the performance obligation is satisfied at a point of time which generally coincides with the commencement of academic period.

d) Income from Sponsorships

Revenue from sponsorship is recognized when the amount of revenue and the cost incurred / together with the cost to be incurred to complete the transaction can be reliably measured with reference to the stage of completion of the transaction at the end of the reporting period.

e) Dividend and Interest Income

- i) Dividend income from investment is recognized as and when the right to receive payment is established.
- ii) Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis taking into account the amount outstanding at the effective interest rate applicable, which is the rate that exactly discount estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

f) Rental Income

The Company's policy for recognition of revenue from operating leases is described in Note VI(b) below.

g) Government grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

VI. Leases
a) The Company as a Lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e; the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activity.

b) The Company as a Lessor:

Leases for which the company is a lessor is classified as a finance or operating lease. Wherever the terms of the lease transfers substantially all the risks and ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease.

Rental income from operating leases is generally recognized on a straight line basis over the term of the lease. Where the rentals are structured solely to increase in line with expected inflation, such increases are recognised in the year in which such benefits accrue.

Amount due from lessees under finance lease are recognized as receivables at the amount of the Company's net investment in the lease. Finance lease income is allocated to accounting period so as to reflect constant periodical rate of return on the Company's net investment outstanding in the lease.

VII. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. Revenues, expenses, assets and liabilities, which are common to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been treated as "unallocated revenues / expenses / assets / liabilities", as the case may be. Based on the above assessment, the Company has determined that its business comprises of Healthcare services and Educational services.

VIII. Foreign currencies
(a) Functional Currency

The Company's Financial Statements are reported in Indian Rupees which is also the company's functional currency.

(b) Transactions and translations

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date. The exchange gains or losses on settlement or on translation are recognised in the Statement of Profit and Loss.

IX. Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

All the other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

X. Employee benefits
(a) Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. Re-measurement comprising actuarial gains and losses is recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains/losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(b) Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liability recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

XI. Taxation

Income tax expense comprises current tax and the net change in the deferred tax asset or liability during the year.

(a) Current Tax

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.

(b) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. These are 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 certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exist to set off current tax assets against current tax liabilities and deferred tax assets/deferred tax liabilities relate to same taxable entity and same taxation authority.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recognized.

(c) Current and Deferred Tax for the year

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

XII. Property, Plant and Equipment

Property, Plant and Equipment (PPE) being fixed assets are tangible items held for use or for administrative purposes and are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Financing costs relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Items of stores and spares that meet the definition of PPE are capitalized at cost and depreciated over its useful life.

The Carrying amount of an item of PPE is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de- recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation on Property, Plant and Equipment (PPE) are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for building and medical equipments which are depreciated over the useful life as estimated by the management.

Improvements to lease hold buildings are depreciated over the shorter of lease term and their useful lives.

The management believes that the useful life adopted reflect the expected pattern of consumption of future economic benefits.

| Particulars | Management's estimate of Useful life (No. of years) | Useful life as per schedule II (No. of Years) |
|--|---|---|
| 1. Buildings | | |
| Buildings (RCC frame structure) | 20 | 60 |
| Buildings (Other than RCC frame Structure) | 20 | 30 |
| Improvement to Leasehold Buildings | Useful life or lease term whichever is lower | - |
| Fences, wells, tube wells and Roads | 5 | 5 |
| Others (including temporary structure, etc.) | 3 | 3 |
| 2. Plant & Equipment | | |
| Medical and Surgical Equipment | 1 to 10 | 13/15 |
| Plant & Machinery | 10 to 15 | 10 to 15 |
| Solar power plant | 25 | 25 |
| 3. Electrical Installations and Equipment | 10 | 10 |
| 4. Furniture and fittings | 10/8 | 10/8 |
| 5. Office Equipment | 5 | 5 |
| 6. Computers and data processing units. | | |
| Servers and networks | 6 | 6 |
| End user devices, such as, desktops, laptops, etc | 3 | 3 |
| 7. Motor Vehicles | | |
| Motor cycles, scooters and other mopeds | 10 | 10 |
| Motor buses, motor lorries, motor cars and motor taxis other than those used in a business of running them on hire | 8 | 8 |

Where the cost of a part of the PPE is significant to the total cost of the PPE and if that part of the PPE has a different useful life than the main PPE, the useful life of that part is determined separately for depreciation.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The depreciation method applied to an asset is reviewed at each financial year-end and if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged to reflect the changed pattern.

XIII. Intangible Assets

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset. Other software is amortised, on a straight-line method, over a period of three years based on management’s assessment of useful life.

Useful lives of intangible assets

| Class of assets | Years |
|-----------------|---------|
| Software | 3 years |

XIV. Impairment of Property, Plant and Equipment and Intangible Assets

The carrying amounts of the tangible and intangible assets are reviewed, as at each Balance Sheet date, to determine if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows as a cash generating unit are discounted to the present value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an extent occurring after the impairment loss was recognised.

The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

XV. Inventories

Inventories are valued at lower of cost and estimated net realizable value. Cost is arrived at on First-in-First Out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the inventory saleable.

Stores & Spares which do not meet the definition of Property, Plant and Equipment are accounted as inventories.

XVI. Provisions

A provision is recognised when the Company 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 unless otherwise required by the standard 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.

XVII. Earnings per share

- a) Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.
- b) For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XVIII. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets
Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financial component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. .

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through Statement of Profit and Loss or other comprehensive income. Company makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. Any gains or losses on de-recognition is recognized in the OCI and are not recycled to the statement of profit or loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset) is primarily de-recognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

ii) Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

iii) Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

De-recognition of Financial Liabilities:

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

c) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

XIX. Impairment of Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12- month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

XX. Fair value measurement:

The Company measures financial instruments at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

XXI. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Significant accounting Judgments, Estimates and Assumptions:

The preparation of Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The following are the areas of estimation uncertainty and critical judgments that the management has made in the process of applying the Company's accounting policies:

a) Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting period. As at year end, the management assessed that the useful lives represent the expected utility of the assets to the Company. Such lives are dependent upon an assessment of both the technical lives of the asset and also their economic lives based on various internal and external factors including efficiency and operating costs. Accordingly, depreciation lives are reviewed annually using the best information available to the management.

b) Evaluation of indicators for impairment of assets:

The evaluation of applicable indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

c) Recognition of deferred tax liability:

Significant management judgment is required to determine the amount of deferred tax asset that can be recognised based on the likely timing and the level of future taxable profits together with future tax planning strategies.

d) Provision and contingent liabilities:

Provisions and liabilities are recognised in the period when it becomes probable that there will be future outflows of funds from past events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in Financial Statements. Loss contingencies that are considered possible are not provided for but disclosed as contingent liabilities in the Financial Statements. Contingencies, the likelihood of which is remote, are not disclosed in the Financial Statements.

e) Defined benefit obligation:

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

F) Leases:

Significant judgments are required in the assumptions made in order to determine the ROU asset and lease liabilities. The assumptions and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease term, determination of applicable incremental borrowing rate, among others.

Recent Amendments and Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023.

The Company does not expect the above amendments to have any significant impact in the financial statements.

Note 2 - Property, Plant and Equipment (PPE)

₹ in Lakhs

| Particulars | Land | Buildings | Improvements to Leasehold Buildings | Furniture and Fixtures | Office Equipment | Plant & Equipment | Computers | Vehicles | Total |
|--|------------------|------------------|-------------------------------------|------------------------|------------------|-------------------|---------------|---------------|--------------------|
| Gross Carrying Value | | | | | | | | | |
| As at 1st April 2021 | 12,923.85 | 61,890.54 | 646.00 | 2,456.59 | 634.61 | 39,786.84 | 865.29 | 562.10 | 1,19,765.83 |
| Additions for the year | 924.61 | 4,960.65 | - | 532.48 | 216.27 | 6,925.57 | 85.35 | - | 13,644.93 |
| Disposals/Adjustments for the year | - | - | - | (11.69) | (3.91) | (799.12) | (5.00) | (0.37) | (820.09) |
| As at 31st March 2022 | 13,848.46 | 66,851.19 | 646.00 | 2,977.39 | 846.97 | 45,913.29 | 945.64 | 561.73 | 1,32,590.67 |
| Additions for the year | 5,490.00 | 535.06 | 20.76 | 489.06 | 150.75 | 2,452.20 | 84.39 | 66.83 | 9,289.05 |
| Disposals/Adjustments for the year | - | (13.07) | - | (50.95) | (14.77) | (757.32) | (41.22) | (7.60) | (884.93) |
| As at 31st March 2023 | 19,338.46 | 67,373.18 | 666.76 | 3,415.50 | 982.95 | 47,608.17 | 988.81 | 620.96 | 1,40,994.79 |
| Accumulated depreciation and Impairment | | | | | | | | | |
| As at 1st April 2021 | - | 4,134.00 | 72.00 | 773.53 | 249.49 | 14,349.66 | 448.47 | 313.90 | 20,341.06 |
| Depreciation for the year | - | 3,732.55 | 47.81 | 259.62 | 100.68 | 3,748.63 | 150.25 | 68.29 | 8,107.83 |
| Depreciation withdrawn during the year | - | - | - | (4.74) | (0.69) | (688.99) | (2.49) | - | (696.91) |
| As at 31st March 2022 | - | 7,866.55 | 119.81 | 1,028.41 | 349.48 | 17,409.30 | 596.23 | 382.19 | 27,751.98 |
| Depreciation for the year | - | 3,998.98 | 48.08 | 289.86 | 141.16 | 3,772.21 | 136.05 | 55.35 | 8,441.69 |
| Depreciation withdrawn during the year | - | (4.34) | - | (38.17) | (8.97) | (518.14) | (36.65) | (5.96) | (612.23) |
| As at 31st March 2023 | - | 11,861.19 | 167.89 | 1,280.10 | 481.67 | 20,663.38 | 695.63 | 431.58 | 35,581.44 |
| Net Carrying Value | | | | | | | | | |
| As at 31st March 2022 | 13,848.46 | 58,984.64 | 526.19 | 1,948.98 | 497.49 | 28,503.98 | 349.41 | 179.54 | 1,04,838.69 |
| As at 31st March 2023 | 19,338.46 | 55,511.99 | 498.87 | 2,135.40 | 501.28 | 26,944.79 | 293.18 | 189.38 | 1,05,413.34 |

- (i) Additions include borrowing cost capitalized amounting to Nil (Previous year: ₹ 60.84 lakhs)
- (ii) Registration formalities are yet to be completed in respect of addition to land during the year. The property was purchased on auction during the year. Further the Company has challenged the applicability of stamp duty on the said property by way of writ petition before the Honourable Madras High Court.
- (iii) Certain Property, Plant and Equipment has been given as security against borrowings availed by the Company. Refer Note No.17 and 23.
- (iv) The title deeds of all the Immovable Properties, disclosed in the financial statements are held in the name of the Company except above point no. (ii)

Note 3 - Right of use assets (ROU)

₹ in Lakhs

| Particulars | Land | Building | Total |
|--|---------------|-----------------|-----------------|
| Gross Carrying Value | | | |
| As at 1st April 2021 | 85.36 | 4,078.12 | 4,163.48 |
| Additions for the year | 89.68 | (22.89) | 66.79 |
| Disposals / adjustments for the year | | - | - |
| As at 31st March 2022 | 175.04 | 4,055.23 | 4,230.27 |
| Additions for the year | 64.56 | 112.21 | 176.77 |
| Disposals / adjustments for the year | - | - | - |
| As at 31st March 2023 | 239.60 | 4,167.44 | 4,407.04 |
| Accumulated depreciation and impairment | | | |
| As at 1st April 2021 | 1.54 | 538.71 | 540.25 |
| Depreciation for the year | 8.61 | 319.05 | 327.66 |
| Depreciation withdrawn during the year | - | - | - |
| As at 31st March 2022 | 10.15 | 857.76 | 867.91 |
| Depreciation for the year | 31.19 | 326.75 | 357.94 |
| Depreciation withdrawn during the year | - | - | - |
| As at 31st March 2023 | 41.34 | 1,184.51 | 1,225.85 |
| Net Carrying Value | | | |
| As at 31 st March 2022 | 164.89 | 3,197.47 | 3,362.36 |
| As at 31st March 2023 | 198.26 | 2,982.93 | 3,181.19 |

Note 4 - Capital work-in-progress

₹ in Lakhs

| Particulars | Buildings | Plant & Equipment | Others | Total |
|---|-----------|-------------------|--------|-----------------|
| As at 31st March 2022 | 368.91 | 175.41 | 1.48 | 545.80 |
| As at 31st March 2023 | 1,990.13 | 204.90 | 137.35 | 2,332.38 |

Capital Work-in-progress (CWIP) ageing schedule - 2022-23

₹ in Lakhs

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|--------------|---------------|-------------------|-----------------|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 years | |
| Projects in progress | 2,054.97 | 64.57 | 212.84 | - | 2,332.38 |
| Projects temporarily Suspended | - | - | - | - | - |
| Total | 2,054.97 | 64.57 | 212.84 | - | 2,332.38 |

Capital Work-in-progress (CWIP) ageing schedule - 2021-22

₹ in Lakhs

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|---------------|------------|-------------------|---------------|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 years | |
| Projects in progress | 332.96 | 212.84 | - | - | 545.80 |
| Projects temporarily Suspended | - | - | - | - | - |
| Total | 332.96 | 212.84 | - | - | 545.80 |

Capital Work in Progress – Completion schedule - 2022-23

(in respect of project whose completion is overdue or exceeded its cost as compared to its budgeted plan)

₹ In lakhs

| Particulars | To be Completed in | | | |
|---|--------------------|--------------|------------|-------------------|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 years |
| Building at Erode Centre | - | 22.24 | - | - |
| Cosmetic OPD | 18.92 | - | - | - |
| F Block | 33.25 | - | - | - |
| Guest House | 443.68 | - | - | - |
| H4 Block | 174.32 | - | - | - |
| MRI & Cathlab | 4.70 | - | - | - |
| Power House | 59.97 | - | - | - |
| Compound Wall Elevation (Admin Block to Nurses Hostel) | 7.34 | - | - | - |
| F Block | 3.40 | - | - | - |
| Total | 745.58 | 22.24 | - | - |

Capital work in Progress - Completion schedule –2021-22

(in respect of project whose completion is overdue or exceeded its cost as compared to its budgeted plan)

₹ In lakhs

| Particulars | To be Completed in | | | |
|-----------------------------|--------------------|------------|------------|-------------------|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 years |
| Guest House | 272.99 | - | - | - |
| New OP Block @ Sulur Center | 26.81 | - | - | - |
| GYM, TV Room & Plaza | 50.99 | - | - | - |
| Urban Health Center | 18.15 | - | - | - |
| Plant & Equipment | 176.86 | - | - | - |
| Total | 545.80 | - | - | - |

Note 5 - Intangible assets

₹ In lakhs

| Particulars | Computer software | Total |
|--|-------------------|---------------|
| Gross carrying Value | | |
| As at 1st April 2021 | 437.78 | 437.78 |
| Additions for the year | 107.19 | 107.19 |
| Disposals for the year | - | - |
| As at 31st March 2022 | 544.98 | 544.98 |
| Additions for the year | 20.37 | 20.37 |
| Disposals for the year | - | - |
| As at 31st March 2023 | 565.35 | 565.35 |
| Accumulated amortisation and impairment | | |
| As at 1st April 2021 | 185.05 | 185.05 |
| Amortisation for the year | 107.33 | 107.33 |
| Amortisation withdrawn during the year | - | - |
| As at 31st March 2022 | 292.38 | 292.38 |
| Amortisation for the year | 112.87 | 112.87 |
| Amortisation withdrawn during the year | - | - |
| As at 31st March 2023 | 405.25 | 405.25 |
| Net Carrying Value | | |
| As at 31 st March 2022 | 252.60 | 252.60 |
| As at 31st March 2023 | 160.10 | 160.10 |

Note 6 - Investments

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Investments in Equity Instruments | | |
| a) At fair value through other comprehensive income | | |
| (i) Quoted, Non Trade - fully paid up | | |
| 6100 (as on 31.03.2022- 6100) Equity shares of ₹ 10 each in Canara Bank | 17.35 | 13.88 |
| 2300 (as on 31.03.2022 - 2300) Equity shares of ₹ 10 each in Indian Overseas Bank | 0.52 | 0.42 |
| b) At amortised cost | | |
| (i) Unquoted, Trade - fully paid up | | |
| 60,000 (as on 31.03.2022 -60,000) Equity shares of ₹ 10 each fully paid up in Mytrah Vayu (Manjira) Private Limited | 6.00 | 6.00 |
| 25,290 (as on 31.03.2022 - Nil) Equity shares of ₹ 10 each fully paid up in Saaki Power Project Limited | 2.53 | - |
| Total | 26.40 | 20.30 |

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| (i) Aggregate Market value of quoted investments | 17.87 | 14.30 |
| (ii) Aggregate amount of unquoted investments | 8.53 | 6.00 |
| Total (i+ii) | 26.40 | 20.30 |

The investments in Level 3 hierarchy has been valued at cost approach to arrive at the fair values as there is a wide range of possible fair value measurements and the cost represents the estimate of fair value within that range considering the purpose and restriction on the transferability of the instruments.

Note 7 - Other Financial Assets

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|---|--------------------------------------|--------------------------------------|
| Unsecured, Considered Good | | |
| a) Rental and lease deposits | 193.20 | 147.75 |
| b) Security Deposits | 793.75 | 740.49 |
| c) Deposits Paid under Protest [#] | 457.18 | - |
| d) Deposits with banks having maturity more than 12 Months* | 1,308.11 | 69.84 |
| Total | 2,752.24 | 958.08 |

An amount of ₹ 168.85 lakhs represents deposit made for Provident Fund under Dispute (refer Note No.28) and an amount of ₹ 288.33 lakhs represents deposit made towards disputed Income Tax demands.

* An amount of ₹ 101 lakhs (P.Y ₹ 61 lakhs) represents security deposit jointly made with The Registrar, The Tamil Nadu Dr.M.G.R Medical University, Chennai and an amount of ₹ 7.11 lakhs (P.Y Nil) is held as margin money deposit against Bank Guarantee.

There is no amount due from a firm in which any director is a partner or private companies in which the Director is a Director or Member.

Note 8 - Other Non-current Assets

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| a) Capital advance | 252.08 | 48.40 |
| b) Advance Payment of Taxes (Net of Provision) | 189.13 | 299.90 |
| c) Prepaid rental expenses | - | 126.14 |
| Total | 441.21 | 474.44 |

Note 9 - Inventories

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|---|--------------------------------------|--------------------------------------|
| a) Pharmacy | 682.41 | 620.80 |
| b) Hospital Consumables | 552.75 | 499.34 |
| c) Stores & Spares | 108.31 | 83.78 |
| d) Fuel & Canteen Inventory | 85.81 | 103.64 |
| Total (A) | 1,429.28 | 1,307.56 |
| Less : Provision for non-moving inventory (Net) (B) | 56.88 | 50.04 |
| Total (A-B) | 1,372.40 | 1,257.52 |

- i) For method of valuation of inventories, refer note No.1 (B) (XV)
- (ii) There has been no write down of inventories in current and previous years. Provisions for Slow moving / non moving inventory made during the year ₹ 6.84 lakhs (Previous year : ₹ 42.39 lakhs)
- ii) Inventories have been pledged as security against Working Capital Loan, refer note no.17 and 23.
- iii) Cost of inventory recognised as an expense:

a) Amount of inventories charged to Statement of Profit and Loss

₹ in Lakhs

| Particulars | 2022-23 | 2021 -22 |
|--|------------------|------------------|
| a) Cost of Medicines & Hospital Consumables consumed | 28,284.31 | 25,627.38 |
| b) Stores and spares | 310.56 | 320.43 |
| c) Consumption of Dietary | 2,089.02 | 1,784.28 |
| Total | 30,683.89 | 27,732.09 |

b) Amount of inventories stated at fair value less cost to sell

Nil

Nil

c) Amount of written down of inventories

Nil

Nil

Note 10 - Trade Receivables

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Unsecured considered good | 2,064.91 | 1,607.09 |
| Unbilled Revenue | 480.01 | 333.21 |
| Less: Trade receivables - Expected Credit Loss | 17.00 | 8.00 |
| Total (A) | 2,527.92 | 1,932.30 |
| Trade receivables which have significant increase in Credit Risk | - | - |
| Trade receivables - credit impaired | - | - |
| Total (B) | - | - |
| Total(A+B) | 2,527.92 | 1,932.30 |

Trade receivable ageing schedule - FY 2022-23

₹ In lakhs

| Particulars | Outstanding for the following period from date of transaction | | | | | Total |
|--|---|-----------------|---------------|--------------|--------------|-----------------|
| | <6 Months | 6 Months – 1 Yr | 1 -2 yrs | 2 -3 Yrs | >3 Yrs | |
| (i) Undisputed Trade Receivables - considered good | 1,698.61 | 157.44 | 128.74 | 66.31 | 13.81 | 2,064.91 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (vii) Unbilled Revenue - Not Due | - | - | - | - | - | 480.01 |
| Subtotal | 1,698.61 | 157.44 | 128.74 | 66.31 | 13.81 | 2,544.92 |
| Less : Allowances for Expected Credit Loss | - | - | - | - | - | (17.00) |
| Total | | | | | | 2,527.92 |

Trade receivable ageing schedule - FY 2021-22

₹ In lakhs

| Particulars | Outstanding for the following period from date of transaction | | | | | Total |
|--|---|-----------------|--------------|--------------|--------------|-----------------|
| | <6 Months | 6 Months – 1 Yr | 1 -2 yrs | 2 -3 Yrs | >3 Yrs | |
| (i) Undisputed Trade Receivables - considered good | 1,273.56 | 194.94 | 71.39 | 51.98 | 15.22 | 1,607.09 |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - |
| (v) Disputed Trade Receivables - which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables - credit impaired | - | - | - | - | - | - |
| (vii) Unbilled Revenue - Not Due | - | - | - | - | - | 333.21 |
| Subtotal | 1,273.56 | 194.94 | 71.39 | 51.98 | 15.22 | 1,940.30 |
| Less : Allowances for Expected Credit Loss | - | - | - | - | - | (8.00) |
| Total | | | | | | 1,932.30 |

(i) Trade Receivables have been pledged as security against Working Capital Loan, refer note no.17 and 23.

Movement in the expected credit loss allowance

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--------------------------------------|-----------------------------------|-----------------------------------|
| Balance at the Beginning of the Year | 8.00 | - |
| Movement During the Year | 9.00 | 8.00 |
| Balance at the End of the Year | 17.00 | 8.00 |

Note 11 - Cash and Cash Equivalents

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|-----------------------------------|-----------------------------------|
| a) Balance with Banks | | |
| i) In Current Accounts | 538.79 | 359.13 |
| ii) In Overdraft Accounts | 141.80 | 2.76 |
| iii) In deposit accounts with maturity less than 3 months at inception | 900.00 | - |
| b) Cheques on hand | 2.47 | 2.69 |
| c) Cash on hand | 212.13 | 180.72 |
| Total | 1,795.19 | 545.30 |

Note 12 - Bank Balances other than Cash and Cash Equivalents

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|-----------------------------------|-----------------------------------|
| a) In term deposit accounts | | |
| with maturity more than 3 months but less than 12 months | 22,868.83 | 19,050.16 |
| b) Earmarked balances | | |
| In margin money* | 156.56 | 123.68 |
| In unpaid dividend Account | 38.43 | 39.79 |
| In unspent CSR Account | - | 65.00 |
| Total | 23,063.82 | 19,278.63 |

* The amount represents margin money against Bank Guarantee

Note 13 - Other Financial Assets

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Unsecured, Considered Good | | |
| a) Rent receivable | 23.58 | 19.30 |
| b) Interest accrued but not yet received | 466.82 | 346.12 |
| c) Other receivables | 79.31 | 44.83 |
| Total | 569.71 | 410.25 |

Note 14 - Other Current Assets

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--------------------------|--------------------------------------|--------------------------------------|
| a) Advance for purchases | 46.93 | 14.27 |
| b) Advance for expenses | 404.85 | 210.98 |
| c) Prepaid Expenses | 117.43 | 164.18 |
| Total | 569.21 | 389.43 |

Note 15 - Equity Share Capital

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|---|--------------------------------------|--------------------------------------|
| Authorized Share Capital | | |
| 1,92,00,000 equity shares of ₹ 10/- each | 1,920.00 | 1,920.00 |
| (31-03-2022 - 1,92,00,000 Equity Shares of ₹ 10/- each) | | |
| Issued and Subscribed Capital | | |
| 1,09,42,262 Equity shares of ₹ 10 each | 1,094.23 | 1,094.23 |
| (31-03-2022 - 1,09,42,262 Equity Shares of ₹ 10/- each) | | |
| Total | 1,094.23 | 1,094.23 |

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

₹ in Lakhs

| Particulars | As at 31 st March 2023 | | As at 31 st March 2022 | |
|---|-----------------------------------|----------|-----------------------------------|----------|
| | No. of shares | Amount | No. of shares | Amount |
| Shares outstanding at the beginning of the year | 1,09,42,262 | 1,094.23 | 1,09,42,262 | 1,094.23 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 1,09,42,262 | 1,094.23 | 1,09,42,262 | 1,094.23 |

b. Terms/ Rights attached to the Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10/-. Each holder of equity shares 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. In the event of liquidation of Company, the holders of the Equity shares will be entitled to receive remaining assets of the Company after distribution of all Preferential amount. The distribution will be in proportion to be number of equity shares held by the Shareholders.

c. Shares held by Holding Company or Ultimate Holding Company – Nil
d. Details of Shareholders' holding more than 5% shares in the Company:

₹ in Lakhs

| Particulars | As at 31 st March 2023 | | As at 31 st March 2022 | |
|--------------------------------------|-----------------------------------|--------|-----------------------------------|--------|
| | No. of shares | Amount | No. of shares | Amount |
| Kovai Purani Finance Private Limited | 40,43,061 | 36.95 | 40,43,061 | 36.95 |
| Dr. Thavamani Devi Palaniswami | 12,57,485 | 11.49 | 12,41,997 | 11.35 |

e. No shares have been issued as fully paid up pursuant to contract without payment being received in cash, bonus shares and shares bought back in the immediately preceding five years.

f. Promoters shareholding - 2022-23

| S. No. | Promoter Name | Shares held by promoters at the end of the year | | | | | |
|--------|---|---|-------------------|--------------------------|------------------|-------------------|--------------------------|
| | | 2022-23 | | | 2021-22 | | |
| | | No. of shares | % of total shares | % change during the year | No. of shares | % of total shares | % change during the year |
| 1 | M/s.Kovai Purani Finance Private Limited | 40,43,061 | 36.95 | - | 40,43,061 | 36.95 | - |
| 2 | Dr.Thavamani Devi Palaniswami | 12,57,485 | 11.50 | 1.25 | 12,41,997 | 11.35 | - |
| 3 | Pavai Property Developers Private Limited | 5,19,304 | 4.75 | - | 5,19,304 | 4.75 | - |
| 4 | Dr.Balasundaram. S | 86,944 | 0.79 | - | 86,944 | 0.79 | - |
| 5 | Mrs.Vani V Thirumoorthi | 71,485 | 0.65 | - | 71,485 | 0.65 | - |
| 6 | Dr.K S K Murugaiyan | 70,101 | 0.64 | - | 70,101 | 0.64 | - |
| 7 | Mrs.Mallika Murugaiyan | 10,101 | 0.09 | - | 10,101 | 0.09 | - |
| 8 | Dr.N Palaniswami | 10,000 | 0.09 | - | 10,000 | 0.09 | - |
| 9 | Dr.Mohan S Gounder | 10,000 | 0.09 | - | 10,000 | 0.09 | - |
| 10 | Dr.Purani P Palaniswami | 10,000 | 0.09 | - | 10,000 | 0.09 | - |
| 11 | Dr.Arun N Palaniswami | 10,000 | 0.09 | - | 10,000 | 0.09 | - |
| 12 | Dr.Thirumoorthi M C | 6,013 | 0.05 | - | 6,013 | 0.05 | - |
| 13 | Dr.S Rajkumar | - | - | (100) | 3,373 | 0.03 | 100 |
| 14 | Ms.Sangeetha S | 3,333 | 0.03 | - | 3,333 | 0.03 | 100 |
| 15 | Dr.K C Ramasamy | 101 | 0.00 | - | 101 | 0.00 | - |
| 16 | Mrs. Mathura V Palaniswami | 16,699 | 0.16 | 100 | | | |
| | Total | 61,24,627 | 55.97 | | 60,95,813 | 55.69 | |

Note 16 - Other equity

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|-------------------------------|-----------------------------------|-----------------------------------|
| a) Capital Reserve | 14.86 | 14.86 |
| b) General Reserve | 4,244.95 | 4,244.95 |
| c) Retained Earnings | 66,513.64 | 55,593.57 |
| d) Other Comprehensive Income | 36.75 | (16.73) |
| Total | 70,810.20 | 59,836.65 |

Refer "Statement of Changes in Equity" for additions /deletions in each reserve.

Notes:

- Capital reserve represents the reserve created on account of amalgamation of Idhayam Hospitals Erode Limited (erstwhile subsidiary) under the pooling of interest method
- General Reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue etc.
- Retained Earnings represents the surplus / accumulated earnings of the Company and are available for distribution to Shareholders.

Note 17 - Borrowings

₹ in Lakhs

| Particulars | As at 31 st March 2023 | | As at 31 st March 2022 | |
|---------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|
| | Non-Current | Current | Non-Current | Current |
| Secured Loan | | | | |
| Term Loans | | | | |
| From Banks | 44,736.75 | 2,553.25 | 48,336.66 | 1,785.67 |
| Total | 44,736.75 | 2,553.25 | 48,336.66 | 1,785.67 |

Details of amount Outstanding, Terms of repayment & Security details

Term Loans from Bank

a) Term loans from Indian Bank:

₹ in Lakhs

| S.No | As at 31 st March 2023 | As at 31 st March 2022 | Terms of loans |
|------|-----------------------------------|-----------------------------------|--|
| 1 | 1,658.33 | 2,303.32 | Repayable in 74 monthly instalments aggregating to ₹ 1658.33 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.35% to 7.65% per annum. |
| 2 | 2,229.17 | 2,354.17 | Repayable in 118 monthly instalments aggregating to ₹ 2229.17 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.30% to 8.30% per annum. |
| 3 | 5,550.00 | 5,850.00 | Repayable in 126 monthly instalments aggregating to ₹ 5550.00 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.30% to 7.75% per annum. |
| 4 | 4,180.00 | 4,400.00 | Repayable in 132 monthly instalments aggregating to ₹ 4180.00 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.30% to 9.15% per annum. |
| 5 | 5,483.33 | 5,600.00 | Repayable in 132 monthly instalments aggregating to ₹ 5483.33 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.30% to 8.10% per annum. |
| 6 | 2,500.00 | 2,500.00 | Repayable in 144 monthly instalments aggregating to ₹ 2500.00 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.30% to 8.55% per annum. |
| 7 | 1,120.00 | 1,120.00 | Repayable in 144 monthly instalments aggregating to ₹ 1120.00 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.35% to 7.50% per annum. |
| 8 | 3,000.00 | 3,000.00 | Repayable in 144 monthly instalments aggregating to ₹ 3000.00 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.30% to 8.45% per annum. |

Note : Security Details for the above loans taken :

Primarily secured by Pari passu first charge on the Land and appurtenances therewith located at Kalapatti Village at Coimbatore and land located at Erode, Pari passu first charge on the entire Fixed assets (Present and Future) of the company. The facilities are also collaterally secured by second charge on the entire current assets (Present and Future) of the Company. The term loans from banks 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.

b) Term loans from Indian Overseas Bank:

₹ in Lakhs

| S.No | As at 31 st March 2023 | As at 31 st March 2022 | Terms of loans |
|------|-----------------------------------|-----------------------------------|--|
| 1 | 1,626.67 | 2,290.67 | Repayable in 69 monthly instalments aggregating to ₹ 1626.67 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.45% to 8.60% per annum |

| S.No | As at 31 st March 2023 | As at 31 st March 2022 | Terms of loans |
|------|--------------------------------------|--------------------------------------|---|
| 2 | 2,229.17 | 2,354.17 | Repayable in 118 monthly instalments aggregating to ₹ 2229.17 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.45% to 8.30% per annum. |
| 3 | 5,550.00 | 5,850.00 | Repayable in 126 monthly instalments aggregating to ₹ 5550.00 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.45% to 7.75% per annum. |
| 4 | 4,180.00 | 4,400.00 | Repayable in 132 monthly instalments aggregating to ₹ 4180.00 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.45% to 8.60% per annum. |
| 5 | 5,483.33 | 5,600.00 | Repayable in 132 monthly instalments aggregating to ₹ 5483.33 lakhs. The Interest is payable on monthly basis and the rate of interest varies from is 7.45% to 8.05% per annum. |
| 6 | 2,500.00 | 2,500.00 | Repayable in 144 monthly instalments aggregating to ₹ 2500.00 lakhs. The Interest is payable on monthly basis and the rate of interest varies from 7.45% to 8.60% per annum. |

Note : Security details for the above loans taken

- (i) The above term loans from Bank are primarily secured by first charge on the land and appurtenances therewith located at Kalapatti Village at Coimbatore and the land located at Erode, pari passu first charge on the entire fixed assets (present and future) of the Company.
- (ii) The facilities are also collaterally secured by second charge on the entire current assets (present and future) of the Company
- (iii) The term loans from bank are further secured by personal guarantees of the Managing Director - Dr. Nalla G Palaniswami and Joint Managing Director - Dr. Thavamani Devi Palaniswami, of the Company.
- (iv) The Company has made registration of charges / satisfaction with registrar of Companies (ROC) within the Statutory period, wherever applicable.

Note 18 - Lease Liabilities

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Lease liabilities -Non Current (Refer No.41) | 3,571.26 | 3,722.73 |
| Total | 3,571.26 | 3,722.73 |

Note 19 - Other Financial Liabilities

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|-----------------|--------------------------------------|--------------------------------------|
| Others | | |
| Rental Deposits | 42.69 | 26.99 |
| Total | 42.69 | 26.99 |

Note 20 - Provisions

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Provision for Employee Benefits | | |
| - Gratuity (Refer Note No.38 (b) (i)) | 1,880.59 | 1,494.85 |
| Total | 1,880.59 | 1,494.85 |

Note 21 - Deferred Tax Liabilities (net)

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Deferred Tax Liabilities | | |
| -On PPE and intangible assets | 4402.26 | 4,161.76 |
| -On fair value adjustment of financial instruments | (0.14) | (2.04) |
| (A) | 4,402.12 | 4,159.72 |
| Deferred tax assets | | |
| - On disallowances under the income tax act | (706.53) | (679.06) |
| - On lease liabilities | (187.59) | (107.03) |
| - ¹ On Employee benefit Expense/fair valuation on equity instrument | 42.53 | 24.54 |
| (B) | (851.59) | (761.55) |
| Net deferred tax liabilities / (asset) (A-B) | 3,550.53 | 3,398.17 |

Refer Note No. 37 (b) for significant components of deferred taxes and their movement.

Note 22 - Other Non-Current Liabilities

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Advance rental Income | 6.45 | 5.45 |
| Other liabilities | 0.51 | 48.00 |
| Deferred Income-Government Grants | 2.89 | - |
| Total | 9.85 | 53.45 |

Note 23 - Borrowings

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|---|--------------------------------------|--------------------------------------|
| Secured | | |
| a) Current maturities of Long term debts (Ref.Note.No.17) | 2,553.25 | 1,785.67 |
| b) Working capital loans from bank | 9.07 | 1,006.64 |
| Total | 2,562.32 | 2,792.31 |

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

- First Charge on current assets by way of hypothecation of present and future current assets including book debts and receivables.
- The working capital facility is collaterally secured by all fixed assets mentioned in Note No.17 long term borrowings.
- The working capital facility carries interest rates which varies from @ 7.30% to @ 8.60%
- The working capital loans from bank are further secured by personal guarantees of the Managing Director - Dr.Nalla G Palaniswami and Joint Managing Director - Dr. Thavamani Devi Palaniswami, of the Company.
- As per the terms of sanction letter, the company is not required to file monthly/ quarterly statements of current assets.

Note 24 - Lease Liabilities

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Current Maturities of lease liabilities (Ref. Note No. 41) | 220.94 | 167.40 |
| Total | 220.94 | 167.40 |

Note 25 - Trade Payables

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Trade payables | | |
| a. Total outstanding dues of Micro and Small Enterprises (Refer Note No 48) | 78.95 | 54.54 |
| b. Total outstanding dues of creditors other than Micro and Small Enterprises* | 2,654.45 | 1,367.11 |
| Total | 2,733.40 | 1,421.65 |

The information in relation to dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

* includes dues to Related Parties. (Refer Note No. 48)

Trade Payable ageing – 2022-23

₹ in Lakhs

| Particulars | Outstanding for the following period from transaction date | | | | Total |
|-----------------------------|--|--------------|------------|----------|---------------|
| | <1 year | 1 -2 years | 2 -3 years | >3 years | |
| (i) MSME | 78.95 | - | - | - | 78.95 |
| (ii) Others | 2,634.10 | 20.35 | - | - | 2654.45 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total | 2713.05 | 20.35 | - | - | 2733.4 |

Trade Payable ageing – 2021-22

₹ in Lakhs

| Particulars | Outstanding for the following period from transaction date | | | | Total |
|-----------------------------|--|------------|------------|----------|----------------|
| | <1 year | 1 -2 years | 2 -3 years | >3 years | |
| (i) MSME | 54.54 | - | - | - | 54.54 |
| (ii) Others | 1,367.11 | - | - | - | 1367.11 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |
| Total | 1421.65 | - | - | - | 1421.65 |

(i) Goods Received Note (GRN) date has been considered as transaction date for Goods and date of acceptance of bills has been considered as transaction date for services.

Note 26 - Other Financial Liabilities

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|---|--------------------------------------|--------------------------------------|
| a) Deposits from Employees | 590.09 | 533.34 |
| b) Payable to related parties (Ref. Note No.43) | 832.53 | 753.83 |
| c) Employee Benefits Payable | 801.60 | 724.25 |
| d) Unpaid Dividend | 38.43 | 39.79 |
| e) Provision for CSR | 224.76 | 65.00 |
| f) Interest Accrued and due on Borrowings | 15.98 | - |
| g) Other payables | 2,664.01 | 2,071.84 |
| Total | 5,167.40 | 4,188.05 |

Note : Other payables include accrued liabilities for expenses and Creditors for expenses.

Note 27 - Other Current Liabilities

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| a. Statutory dues payables | 698.85 | 567.09 |
| b. Creditors for capital goods | 739.75 | 2,179.89 |
| c. Advance received from patients | 148.83 | 200.82 |
| d. Advance towards course fees | 5,652.19 | 4,065.57 |
| Total | 7,239.62 | 7,013.37 |

Note 28 - Provisions

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| Provision for Employee benefits | | |
| a. Gratuity - (Refer Note No.38 (b) (i)) | 219.86 | 360.45 |
| b. Compensated absences | 24.45 | 21.03 |
| c. Disputed Statutory Liability | 337.71 | 337.71 |
| Total | 582.02 | 719.19 |

Note 29 - Current Tax Liabilities

₹ in Lakhs

| Particulars | As at 31 st March 2023 | As at 31 st March 2022 |
|--|--------------------------------------|--------------------------------------|
| a. Current Tax Liabilities (net off advance tax) | 3.31 | - |
| Total | 3.31 | - |

Note 30 - Revenue From Operations

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|---|--------------------|------------------|
| I. Revenue from operations | | |
| a. Inpatients Revenue | | |
| i) Doctors fees & Other healthcare services | 52,694.86 | 50,500.30 |
| ii) Pharmacy & Dietary | 14,923.18 | 13,903.82 |
| b. Outpatients Revenue | | |
| i) Doctors fees & Other healthcare services | 16,916.88 | 14,826.11 |
| ii) Pharmacy & Dietary | 10,609.18 | 8,425.98 |
| c. Income from education | | |
| i) Tuition & Other fee | 6,037.51 | 2,458.54 |
| ii) Accommodation fee | 674.48 | 324.98 |
| II. Other Operating Income | | |
| Lease Income | 118.59 | 92.94 |
| Total | 1,01,974.68 | 90,532.67 |

Note 31 - Other Income

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|-----------------|-----------------|
| a. Interest Income | | |
| (i) From Banks | 979.14 | 875.75 |
| (ii) From Others | 13.08 | 2.99 |
| b. Dividend Income | 0.40 | - |
| c. Profit on sale of Property, Plant and Equipment | 3.56 | 1.89 |
| d. Miscellaneous income | 602.59 | 368.90 |
| Total | 1,598.77 | 1,249.53 |

Note 32 - Cost of Medicines & Hospital consumables consumed

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|---|------------------|------------------|
| Opening Inventory | 1,120.14 | 913.53 |
| Add: Purchases | 28,399.65 | 25,802.58 |
| | 29,519.79 | 26,716.11 |
| Less: Closing Inventory | 1,235.15 | 1,120.14 |
| Add: Provision of Non Moving Inventory (net) | (0.33) | 31.41 |
| Total | 28,284.31 | 25,627.38 |

Note 33 - Employee Benefits Expense

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|------------------|------------------|
| a. Salaries, Allowances & Bonus | 16,123.40 | 13,262.60 |
| b. Contribution to Provident and Other Funds | 1,062.31 | 1,218.15 |
| c. Gratuity [Refer Note No. 38 (b)(i)(b)] | 426.23 | 370.10 |
| d. Staff Welfare Expenses | 266.64 | 147.94 |
| e. Compensated Absence | 91.12 | 77.28 |
| Total | 17,969.70 | 15,076.07 |

Note 34 - Finance Costs

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|-----------------|-----------------|
| a. Interest on Borrowings | 3,661.41 | 3,950.14 |
| b. Interest on Lease Liabilities | 331.91 | 336.41 |
| c. Unwinding of Interest on Financial Instrument at amortised cost | 3.80 | 2.35 |
| d. Other Borrowing Cost | 18.49 | 34.11 |
| Total | 4,015.61 | 4,323.01 |

Note 35 - Depreciation and Amortisation Expenses

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|---|-----------------|-----------------|
| a. Depreciation on Property, Plant and Equipment (Refer Note.2) | 8,441.69 | 8,107.83 |
| b. Depreciation on right of use assets (Refer Note.3) | 357.94 | 327.66 |
| c. Amortisation on intangible assets (Refer Note.5) | 112.87 | 107.33 |
| Total | 8,912.50 | 8,542.82 |

Note 36 - Other Expenses

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|---|------------------|------------------|
| a. Consumption of stores and spares | 310.56 | 320.43 |
| b. Power and Fuel consumed (Net) (Refer Note. 51) | 1,445.69 | 1,191.70 |
| c. Consumption of Dietary | 2,089.02 | 1,784.28 |
| d. Water Charges | 632.04 | 501.85 |
| e. Professional & Consultant charges | 15,434.38 | 13,053.21 |
| f. Hospital upkeep expenses | 2,381.76 | 1,849.17 |
| g. Lab test charges | 615.17 | 578.69 |
| h. Travel and conveyance | 106.33 | 89.10 |
| i. Rent | 3.26 | 51.49 |
| j. Advertisement | 624.88 | 443.20 |
| k. Auditor's Remuneration [Refer Note.36(1) below] | 43.58 | 32.32 |
| l. Director's sitting fee | 34.93 | 26.67 |
| m. Annual Maintenance Charges | 1,289.79 | 1,075.46 |
| n. Repairs and Maintenance - Building | 293.13 | 376.79 |
| o. Repairs and Maintenance - Machinery | 308.53 | 286.88 |
| p. Repairs and Maintenance - Others | 256.86 | 164.29 |
| q. License fee, Rates & Taxes | 631.46 | 324.99 |
| r. Expenditure towards CSR activities (Refer Note. 46) | 249.14 | 219.03 |
| s. Donation | 23.30 | 113.30 |
| t. Printing & Stationery | 621.52 | 439.87 |
| u. Bank Charges | 310.68 | 294.38 |
| v. Loss on Sale/Discard of Property,Plant and Equipment | 220.17 | 95.16 |
| w. Hire Charges- Vehicle | 29.39 | 27.54 |
| x. Uniforms, Books & other expenses | 309.90 | 95.05 |
| y. Provision for Expected Credit Loss | 9.00 | 8.00 |
| z. Miscellaneous expenses | 594.87 | 702.24 |
| | 28,869.34 | 24,145.09 |

Note 36 (1) - Auditor's Remuneration (Exclusive of GST)

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|--------------|--------------|
| Payments to the auditor | | |
| a. For Statutory Audit and Limited Reviews | 29.50 | 25.50 |
| b. For Tax Audit | 7.50 | - |
| c. For Certification and other Services | 5.61 | 6.18 |
| d. For Reimbursement of Expenses | 0.97 | 0.64 |
| Total | 43.58 | 32.32 |

Note 37 (a) - Tax expenses

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|-----------------|-----------------|
| A. Current Tax | | |
| Current tax on profit for the year | 3,918.00 | 3,523.28 |
| Change/ (Credit) in respect of tax for earlier years | (106.98) | (25.33) |
| TOTAL (A) | 3,811.02 | 3,497.95 |
| B. Deferred Tax | | |
| Creation and reversal of temporary differences | 134.36 | 143.82 |
| TOTAL (B) | 134.36 | 143.82 |
| Tax expense recognized in Statement of Profit and Loss - (C) = (A)+(B) | 3,945.38 | 3,641.77 |
| Tax expense recognized in Other Comprehensive Income (D) | 17.99 | (56.08) |
| Total Tax Expense /(benefit) (C + D) | 3,963.37 | 3,585.69 |

Note 37(b) - Deferred Tax
Significant Components of deferred tax assets / liabilities and their movements

₹ in Lakhs

| Particulars | Deferred tax liabilities / (Assets) as at 01.04.2022 | Charge / (credit) to Profit/Loss | Charge / (credit) to OCI | Deferred tax liabilities / (Assets) as at 31.03.2023 |
|---|--|----------------------------------|--------------------------|--|
| Deferred tax liabilities | | | | |
| - On PPE and intangible assets | 4,161.76 | 240.50 | - | 4,402.26 |
| - On fair value adjustment of financial instruments | (2.04) | 1.90 | - | (0.14) |
| Deferred tax assets | | | | |
| - On disallowances under the Income Tax Act | (679.06) | (27.47) | - | (706.53) |
| - On employee benefit expense | 27.50 | - | 17.09 | 44.59 |
| - On fair valuation of equity instruments | (2.96) | - | 0.90 | (2.06) |
| - On lease liabilities | (107.03) | (80.56) | - | (187.59) |
| Net Deferred Tax Liabilities/(Asset) | 3,398.17 | 134.36 | 17.99 | 3,550.53 |

₹ in Lakhs

| Particulars | Deferred tax liabilities / (Assets) as at 01.04.2021 | Charge / (credit) to Profit/Loss | Charge / (credit) to OCI | Deferred tax liabilities / (Assets) as at 31.03.2022 |
|---|--|----------------------------------|--------------------------|--|
| Deferred tax liabilities | | | | |
| - On PPE and intangible assets | 3,824.59 | 337.17 | | 4,161.76 |
| - On fair value adjustment of financial instruments | (1.29) | (0.75) | | (2.04) |
| Deferred tax assets | | | | |
| - On disallowances under the Income Tax Act | (502.29) | (176.78) | | (679.06) |
| - On employee benefits expense | 84.75 | - | (57.25) | 27.50 |
| - On fair valuation of equity instruments | (4.13) | - | 1.17 | (2.96) |
| - On lease liabilities | (91.19) | (15.84) | | (107.03) |
| Net Deferred Tax Liabilities/(Asset) | 3,310.44 | 143.82 | (56.08) | 3,398.17 |

Note 37 (c) - Reconciliation of estimated tax expense

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in Statement of Profit and Loss is as follows: ₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|---|------------------|------------------|
| Profit/(loss) before tax | 15,521.99 | 14,067.83 |
| Enacted tax rate | 25.168% | 25.168% |
| Expected income tax expense/(benefit) at statutory tax rate | 3,906.57 | 3,540.59 |
| Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense: | | |
| Expenses not deductible in determining taxable profits | 386.56 | 339.79 |
| Tax allowances and concession | (147.50) | (43.97) |
| Disallowances/(reversals) - net | (93.27) | (169.31) |
| Tax expense for the year (including Deferred Tax) | 4,052.36 | 3,667.10 |
| Effective income tax rate | 26.11% | 26.07% |

Note: The above workings are based on provisional computation of tax expenses and are subject to finalisation of tax audit/ filing of tax returns in due course.

Note 37 (d) – Income Tax recognised in Other Comprehensive Income :

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|--------------|----------------|
| Deferred Tax - Expense | | |
| i) Remeasurement of defined benefit obligation | 17.09 | (57.25) |
| ii) Changes in Equity Instruments measured at FVTOCI | 0.90 | 1.17 |
| Total Income Tax recognised in OCI | 17.99 | (56.08) |

Note 38 - Employee Benefits
(a) Defined contribution plans :

The Company makes contributions towards provident fund as a defined contribution retirement benefit fund for qualifying employees. The provident fund is operated by the regional provident fund commissioner. Under the scheme, the Company is required to contribute a specific percentage of the payroll cost as per the statute.

The total expenses recognized in the Statement of Profit and Loss of ₹ 839.10 lakhs (for the year ended March 31, 2022: ₹ 1,031.41) represents contributions payable to the plan by the Company.

(b) Defined benefit plans :
i) Gratuity

The company operates a defined benefit plan for payment of post-employment benefits in the form of Gratuity. 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 benefits are generally common for all the employees of the company.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

| | |
|------------------|---|
| Investment Risk: | The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. |
| Interest risk: | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Salary risk: | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |
| Longevity risk: | The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |

(a) The principal assumptions used for the purposes of the actuarial valuations were as follows: ₹ in Lakhs

| Particulars | Valuation as at | |
|---------------------------|---|---------------|
| | 31.03.2023 | 31.03.2022 |
| Discount rate(s) | 7.31% | 5.66% |
| Expected Return on Assets | NA | NA |
| Salary Escalation | Uniform 10.0% | Uniform 10.0% |
| Attrition Rate | Uniform 30.0% | Uniform 30.0% |
| Mortality | Indian Assured Lives Mortality (2012-14) Ultimate | |

(b) Amount recognized in Statement of Profit and Loss in respect of these defined benefit plans are as follows: ₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| Current service cost | 294.74 | 297.54 |
| Net Interest on Defined Benefit Obligations | 131.49 | 72.56 |
| Expected return on Plan assets | - | - |
| Past service cost and (gain) / loss from settlements | - | - |
| Expenses recognized in the statement of profit and loss | 426.23 | 370.10 |

(c) Recognized in Other Comprehensive Income for the year: ₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|---|----------------|---------------|
| Return on plan assets (excluding amounts included in net interest expenses) | - | - |
| Actuarial gains/losses arising from changes in demographic assumptions | - | 87.01 |
| Actuarial gains/losses arising from changes in financial assumptions | (177.81) | 121.00 |
| Actuarial gains/losses arising from experience adjustments | 109.91 | 19.47 |
| Amount recognized in OCI for the current period | (67.90) | 227.48 |

(d) Movements in the present value of the defined benefit obligation are as follows: ₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|--|-----------------|-----------------|
| Present value of obligations as at the beginning of the year | 1,855.29 | 1,342.94 |
| Current service cost | 294.74 | 297.54 |
| Past service cost | - | - |
| Net Interest on Defined Benefit Obligations | 131.49 | 72.56 |
| Remeasurement (gains)/losses: | | |
| Actuarial gains/losses arising from changes in demographic assumptions | - | 87.01 |
| Actuarial gains/losses arising from changes in financial assumptions | (177.81) | 121.00 |
| Actuarial gains/losses arising from experience adjustments | 109.91 | 19.47 |
| Benefits paid | (113.17) | (85.23) |
| Present value of obligations as at the end of the year | 2,100.45 | 1,855.29 |

(e) Change in fair value of plan assets: ₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| Fair value of plan assets as at the beginning of the period | - | - |
| Return on plan assets | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Actuarial gain/(loss) on plan assets | - | - |
| Fair value of plan assets as at the end of the period | - | - |

(f) Net Liability recognized in Balance Sheet:

₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|------------------------------|-----------------|-----------------|
| Present value of obligations | 2,100.45 | 1,855.29 |
| Fair Value of Plan Assets | - | - |
| Amount recognized | 2,100.45 | 1,855.29 |

(g) Sensitivity analysis:

₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|----------------------------------|------------|------------|
| Discount rate + 100 basis points | 1,992.69 | 1,753.12 |
| Discount rate - 100 basis points | 2,220.67 | 1,973.79 |
| Salary Escalation rate + 1% | 2,205.95 | 1,958.72 |
| Salary Escalation rate - 1% | 2,002.92 | 1,764.11 |
| Attrition rate + 1% | 2,077.33 | 1,822.67 |
| Attrition rate - 1% | 2,125.46 | 1,878.71 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(h) Experience adjustments:

₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|--|------------|------------|
| Defined Benefit Obligation | 2,100.45 | 1,855.29 |
| Plan Assets | - | - |
| Surplus / (Deficit) in Plan Assets | (2,100.45) | (1,855.29) |
| Experience Adjustments on Plan Liabilities – Loss/(Gain) | 109.91 | 19.47 |
| Experience Adjustments on Plan Assets – Gain/(Loss) | - | - |

(i) Expected future payments are as follows:

The defined benefit obligations shall mature after year ended March 31, 2023 as follows: ₹ in Lakhs

| Particulars | 31.03.2023 |
|--|------------|
| Estimated Benefit payments for the year ended 31 March, 2023 | |
| 2024 | 253.97 |
| 2025 | 207.45 |
| 2026 | 179.77 |
| 2027 | 164.63 |
| 2028 | 167.48 |
| Thereafter | 2,460.97 |

Note 39 - Financial instruments
(a) Capital Management

The Company manages its capital with the objective to maximize the return to stakeholders through the optimisation of the debt and equity mix. The Company's overall strategy remains unchanged from previous year.

The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total equity. Net debts are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarizes the capital structure and gearing ratio of the Company:

₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|--|------------------|------------------|
| Long term borrowings (Refer Note:17) | 48,308.01 | 52,059.39 |
| Short term Borrowings (Refer Note : 23) | 2,783.26 | 2,959.71 |
| Total Borrowings (a) | 51,091.27 | 55,019.10 |
| Cash and Cash equivalents (Refer Note:11) | 1,795.19 | 545.30 |
| Bank Balances other than cash and cash equivalents (Refer Note : 12) | 22,868.83 | 19,050.16 |
| Total Cash (b) | 24,664.02 | 19,595.46 |
| Net Debt (c) = (a)-(b) | 26,427.25 | 35,423.64 |
| Equity (Refer Note :15) | 1,094.23 | 1,094.23 |
| Other Equity (Refer Note : 16) | 70,810.20 | 59,836.65 |
| Total Equity (d) | 71,904.43 | 60,930.88 |
| Net Debt to Equity Ratio = (c)/(d)*100 | 36.75% | 58.14% |

Note:

- Equity includes all capital and reserves of the company that are managed as capital.
- Debt is defined as long term and short term borrowings (excluding derivatives and financial guarantee contracts) as stated in Notes 17 and 23.
- Borrowings include lease liabilities
- Bank balances are adjusted for Margin money, Unspent CSR Account and unpaid dividend

(b) Fair Value Measurement

(i) Financial instruments by category

The carrying values of financial instruments by categories as at March 31, 2023 were as follows:

₹ in Lakhs

| Particulars | Note | FVTPL | FVTOCI | Amortised cost | Total Carrying value | Total Fair value |
|------------------------------|-------|-------|--------|----------------|----------------------|------------------|
| Financial Assets | | | | | | |
| Investments | 6 | - | 17.87 | 8.53 | 26.40 | 17.87 |
| Trade Receivables | 10 | - | - | 2,527.92 | 2,527.92 | - |
| Other financial assets | 7,13 | - | - | 3,321.95 | 3,321.95 | - |
| Cash & Cash Equivalent | 11 | - | - | 1,795.19 | 1,795.19 | - |
| Other Bank Balances | 12 | - | - | 23,063.82 | 23,063.82 | - |
| Financial Liabilities | | | | | | |
| Borrowings | 17,23 | - | - | 47,299.07 | 47,299.07 | - |
| Trade payables | 25 | - | - | 2,733.40 | 2,733.40 | - |
| Lease Liabilities | 18,24 | - | - | 3,792.20 | 3,792.20 | - |
| Other financial liabilities | 19,26 | - | - | 5,210.09 | 5,210.09 | - |

The carrying values of financial instruments by categories as at March 31, 2022 were as follows:

₹ in Lakhs

| Particulars | Note | FVTPL | FVTOCI | Amortised cost | Total Carrying value | Total Fair value |
|------------------------------|-------|-------|--------|----------------|----------------------|------------------|
| Financial Assets | | | | | | |
| Investments | 6 | - | 14.30 | 6.00 | 20.30 | 14.30 |
| Trade Receivables | 10 | - | - | 1,932.30 | 1,932.30 | - |
| Other financial assets | 7,13 | - | - | 1,368.33 | 1,368.33 | - |
| Cash & Cash Equivalent | 11 | - | - | 545.30 | 545.30 | - |
| Other Bank Balances | 12 | - | - | 19,278.63 | 19,278.63 | - |
| Financial Liabilities | | | | | | |
| Borrowings | 17,23 | - | - | 51,128.97 | 51,128.97 | - |
| Trade payables | 25 | - | - | 1,421.65 | 1,421.65 | - |
| Lease Liabilities | 18,24 | - | - | 3,890.13 | 3,890.13 | - |
| Other financial liabilities | 19,26 | - | - | 4,215.04 | 4,215.04 | - |

(ii) Fair Value Hierarchy

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2023 :

₹ in lakhs

| Particulars | Note | Level 1 | Level 2 | Level 3 | Carrying Values |
|---|-------|---------|---------|-----------|-----------------|
| Financial Assets | | | | | |
| a) At amortised costs | | | | | |
| Trade Receivables | 10 | - | - | 2,527.92 | 2,527.92 |
| Cash and Cash Equivalents | 11 | - | - | 1,795.19 | 1,795.19 |
| Other Bank Balances | 12 | - | - | 23,063.82 | 23,063.82 |
| Other financial assets | 7,13 | - | - | 3,321.95 | 3,321.95 |
| b) At fair value through Other Comprehensive Income | | | | | |
| Investments – Non-current quoted | 6 | 17.87 | - | - | 17.87 |
| Investments – Non-current Unquoted | 6 | - | - | 8.53 | 8.53 |
| Financial Liabilities | | | | | |
| a) At amortised costs | | | | | |
| Borrowings | 17,23 | - | - | 47,299.07 | 47,299.07 |
| Trade payables | 25 | - | - | 2,733.40 | 2,733.40 |
| Lease Liabilities | 18,24 | - | - | 3,792.20 | 3,792.20 |
| Other financial liabilities | 19,26 | - | - | 5,210.09 | 5,210.09 |

Fair value hierarchy of financial assets and liabilities measured at fair value as at March 31, 2022:

₹ in Lakhs

| Particulars | Note | Level 1 | Level 2 | Level 3 | Carrying Values |
|---|-------|---------|---------|-----------|-----------------|
| Financial Assets | | | | | |
| a) At amortised costs | | | | | |
| Trade Receivables | 10 | - | - | 1,932.30 | 1,932.30 |
| Cash and Cash Equivalents | 11 | - | - | 545.30 | 545.30 |
| Other Bank Balances | 12 | - | - | 19,278.63 | 19,278.63 |
| Other financial assets | 7,13 | - | - | 1,368.33 | 1,368.33 |
| b) At fair value through Other Comprehensive Income | | | | | |
| Investments – Non-current quoted | 6 | 14.30 | - | - | 14.30 |
| Investments – Non-current Unquoted | 6 | - | - | 6.00 | 6.00 |
| Financial Liabilities | | | | | |
| a) At amortised costs | | | | | |
| Borrowings | 17,23 | - | - | 51,128.97 | 51,128.97 |
| Trade payables | 25 | - | - | 1,421.65 | 1,421.65 |
| Lease Liabilities | 18,24 | - | - | 3,890.13 | 3,890.13 |
| Other financial liabilities | 19,26 | - | - | 4,215.04 | 4,215.04 |

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

iii) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, borrowings, trade payables and other current financial liabilities are a reasonable approximation of their fair values.

The investment included in Level 3 hierarchy have been valued at cost approach to arrive at the fair values as there is a wide range of possible fair value measurement and the cost represents estimate of fair value within that range considering the purpose and restriction on the transferability of the instruments

The estimated fair value amounts as at March 31, 2023 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.

There were no transfers between Level 1, Level 2 and Level 3 during the year.

c) Financial Risk Management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Financial Statements.

| Risk | Exposure arising from | Measurement |
|--------------------------------|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, investments, financial assets measured at amortised cost. | Ageing analysis, Credit Ratings |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts |
| Market risk Interest rate risk | Long-term borrowings at variable rates | Cash flow forecasting, Sensitivity analysis |

(i) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A. Low credit risk

B. Moderate credit risk

C. High credit risk

| Assets Group | Description of category | Particulars | Provision for expected credit loss |
|----------------------|---|---|--|
| Low credit risk | Assets where the counter- party has strong capacity to meet the obligations and where the risk of default is negligible or nil | Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets. | 12 month expected credit loss/life time expected credit loss |
| Moderate credit risk | Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong. | Nil | 12 month expected credit loss/life time expected credit loss. |
| High credit risk | Assets where there is a high probability of default. | Nil | 12 month expected credit loss/ life time expected credit loss/fully provided for |

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Any subsequent recoveries made are recognized in Statement of Profit and Loss.

Classification of Financial assets among risk categories:

₹ in Lakhs

| Credit rating | Particulars | 31.03.2023 | 31.03.2022 |
|----------------------|---|------------|------------|
| Low credit risk | Cash and cash equivalents, others bank balances, investments, loans, trade receivables and other financial assets | 30,735.27 | 23,144.86 |
| Moderate credit risk | Nil | - | - |
| High credit risk | Nil | - | - |

Expected credit loss for trade receivables

In the case of revenue from Hospital services, the company receives payment for services rendered either before or during the course of the treatment except in respect of Insurance Companies, Corporate customers, Public Sector Undertakings, State/Central Governments which are agreed upon prior to the discharge of the patient. In respect of revenue from Education services, the fee towards course and other services are generally received in advance.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on historical credit loss experience and is adjusted for forward looking information considering reasonable and supportable information that is available without undue cost or effort as at the reporting date. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to INR 17 Lakhs (March 31, 2022 : 8 lakhs). Refer Note 10 (refer the ECL movement Note)

(ii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring Balance Sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities as at 31 March, 2023

₹ in Lakhs

| Particulars | On demand | Less than 1 year | 1-5 years | More than 5 years | Total |
|-----------------------------|-----------|------------------|-----------|-------------------|-----------|
| Borrowings | 9.07 | 2,553.25 | 16,188.55 | 28,548.20 | 47,299.07 |
| Lease Liabilities | - | 220.94 | 1,229.51 | 2,341.74 | 3,792.19 |
| Trade Payables | - | 2,733.40 | - | - | 2,733.40 |
| Other financial liabilities | 38.43 | 5,141.60 | 27.42 | 2.64 | 5,210.09 |
| Total | 47.50 | 10,649.19 | 17,445.48 | 30,892.58 | 59,034.75 |

Maturities of financial liabilities as at 31 March, 2022

₹ in Lakhs

| Particulars | On demand | Less than 1 year | 1-5 years | More than 5 years | Total |
|-----------------------------|-----------|------------------|-----------|-------------------|-----------|
| Borrowings | 1,006.64 | 1,785.67 | 13,856.03 | 34,480.63 | 51,128.97 |
| Lease Liabilities | - | 167.40 | 1,012.79 | 2,709.94 | 3,890.13 |
| Trade Payables | - | 1,421.65 | - | - | 1,421.65 |
| Other financial liabilities | 39.79 | 3,614.92 | 559.4 | 0.93 | 4,215.04 |
| Total | 1,046.43 | 6,989.64 | 15,428.22 | 37,191.50 | 60,655.79 |

(iii) Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, The Company's variable rate borrowings are subject to interest rate risk. Below is the overall exposure of the borrowings:

Interest rate risk exposure

₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|-------------------------|------------------|------------------|
| Fixed rate borrowing | - | - |
| Variable rate borrowing | 53,824.67 | 56,440.75 |
| Total | 53,824.67 | 56,440.75 |

Sensitivity Analysis :

The following table demonstrates the sensitivity to a reasonably possible change (100 basis points) in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowings, as follows:

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|---|---------|---------|
| Interest sensitivity | - | - |
| Interest rates – increase by 100 basis points | 486.29 | 562.91 |
| Interest rates – decrease by 100 basis points | 487.79 | 511.07 |

Note 40- Earnings per Share (EPS) (computed in accordance with Ind AS 33)

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|---|-----------|-----------|
| Profit for the year attributable to owners of the Company ₹ in Lakhs | 11,576.61 | 10,426.06 |
| Weighted Average Number of Equity Shares outstanding during the year for the purpose of Basic Earnings / Diluted Earnings Per Share (Nos. in Lakhs) | 109.42 | 109.42 |
| Basic/ Diluted Earnings Per Share (in ₹) | 105.80 | 95.28 |

Note 41 – Leases
a) Disclosure as Lessee

i) The following is the reconciliation of lease :

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|-----------------|-----------------|
| Opening balance | 3,890.13 | 3,985.56 |
| Additions/Adjustments during the year | 331.91 | 336.41 |
| Less: Payment of lease liabilities | 429.84 | 431.84 |
| Less: Closure of lease liabilities | - | - |
| Closing balance | 3,792.20 | 3,890.13 |
| The following is the break up of Non-current and Current lease liabilities | | |
| Non- Current | 3,571.26 | 3,722.73 |
| Current | 220.94 | 167.40 |
| Amount recognized in the Statement of Profit and Loss | | |
| Interest expense on lease liabilities | 331.91 | 336.41 |
| Depreciation on Right-of-Use Assets | 357.94 | 327.66 |

The broad range of effective interest rate for lease liability is 7.35% to 9.00%

ii) Details of contractual maturities of lease liabilities:

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|----------------------|-----------------|-----------------|
| Less than one year | 540.05 | 495.56 |
| One to five years | 2,911.77 | 2,179.95 |
| More than five years | 2,454.76 | 3,650.57 |
| Total | 5,906.58 | 6,326.08 |

Note: The above maturities are disclosed on an undiscounted basis.

iii) Rental expense recorded for short-term leases was ₹ 1.11 lakhs for the year ended March 31, 2023 (Previous year ₹ 39.66 lakhs)

b) Disclosure as Lessor

Maturity Analysis of lease payment to be received:

₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|----------------------|---------------|---------------|
| Less than one year | 91.21 | 102.29 |
| 1 to 2 years | 57.72 | 91.20 |
| 2 to 3 years | 25.34 | 54.61 |
| 3 to 4 years | 8.94 | 28.04 |
| 4 to 5 years | 4.43 | 10.26 |
| More than five years | 3.12 | 15.48 |
| Total | 190.77 | 301.88 |

Note 42 - Contingent Liabilities and Commitments as on the closing date

₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|---|------------|------------|
| I) Contingent Liabilities: | | |
| a) Letter of Credit for capital equipment | 281.09 | 694.76 |
| b) Disputed Statutory Liabilities not provided for (excluding interest, if any) | 678.08 | 1271.78 |
| c) Claims of various nature made against the Company not acknowledged as debt | 1,072.55 | 1,108.57 |
| d) Stamp Duty Value on Property acquired in auction | 652.00 | - |

The Company has reviewed all its pending litigation and proceedings and has adequately provided for the provisions required / disclosed as contingent liability where applicable, in its financial statements. The amount of contingent liability is based on management estimation and no significant liability is expected to arise out of the same.

| II) Commitments: | 31.03.2023 | 31.03.2022 |
|---|-------------------|-------------------|
| Estimated amount of contracts remaining to be executed on capital account | 4,516.36 | 2,661.20 |

Note 43 - Related Party Disclosures under Ind AS – 24
A. Relationship:

List of Related parties where control exists and other related parties with whom the Company had transactions and their relationships.

| S.No. | Nature of relationship | Name of related parties |
|-------|---|---|
| 1. | Key Management Personnel | |
| | a. Executive Directors: | <ul style="list-style-type: none"> • Dr. Nalla G Palaniswami • Dr. Thavamani Devi Palaniswami • Dr. Arun N Palaniswami |
| | b. Non-Executive, Non Independent Directors | <ul style="list-style-type: none"> • Dr. Mohan S Gounder • Dr.M.C.Thirumoorthi • Dr.Purani P Palaniswami |
| | c. Non-Executive, Independent Directors | <ul style="list-style-type: none"> • Mr.Kasi K Goundan • Dr.M.Manickam • CA.A.M.Palanisamy • Mr.K.Saminathan • Mrs.R.Bhuvaneshwari • Mr. A.P. Ammasaikutti • Dr. K. Kolandaswamy |
| | d. Other Key Managerial Personnel | <ul style="list-style-type: none"> • CA.P.K.Gopikrishnan (appointed w.e.f. 11.11.2022) • CA.M.K.Ravindra Kumar (resigned w.e.f. 03.10.2022) • CS.S.P.Chittibabu (resigned w.e.f. 21.11.2022) • CS.R.Ponmanikandan (appointed w.e.f. 22.11.2022) |

| S.No. | Nature of relationship | Name of related parties |
|-------|--|--|
| 2. | Relative of Key Management Personnel | • Dr. K.S.K. Murugaiyan |
| 3. | Other Related Parties (entities in which Key Management Personnel of the Company and their relatives are able to exercise control / significant influence) | <ul style="list-style-type: none"> • Purani Hospital Supplies Private Limited • Aosta Software Technologies (India) Private Limited • Sakthi Sugars Limited • Biomed Hitech Industries Limited • NGP Estate Motors Agencies • ABT Limited • Kovai Medical Center Research & Educational Trust • KMCH Research Foundation |

B. Related party transactions

₹ in Lakhs

| Particulars | 2022-23 | | 2021-22 | |
|---|--------------------------|-----------------------|--------------------------|-----------------------|
| | Key Management Personnel | Other Related Parties | Key Management Personnel | Other Related Parties |
| Transactions during the year | | | | |
| Lease payments | 192.93 | 43.60 | 155.72 | 41.60 |
| Rental Income | - | 0.72 | - | 0.72 |
| Purchases | - | 7151.17 | - | 6,726.84 |
| Advertisement | - | 0.21 | - | - |
| IT Software purchase & Hardware Maintenance | - | 17.22 | - | 5.40 |
| Consultant Charges | - | 34.75 | - | 32.00 |
| Directors Remuneration, Commission, & Perquisites | 1,144.00 | - | 1,045.72 | - |
| Remuneration to Other Key Managerial Personnels | 98.08 | - | 75.25 | - |
| Director Sitting Fee | - | 34.93 | - | 22.60 |
| Amount outstanding at the end of the year | | | | |
| Trade payable | - | 408.30 | - | 191.30 |
| Consultant Charges Payable | - | 2.68 | - | 2.47 |
| Remuneration payable | 816.94 | - | 741.04 | - |
| Expense Payable | - | 12.91 | - | 10.32 |
| Rent Income Receivable | - | 0.09 | - | - |
| Lease Deposit paid | 49.00 | 35.00 | 49.00 | 35.00 |

Guarantees given by Managing Director and Joint Managing Director are restricted to the amount of outstanding borrowings (Refer Note No.17).

The remuneration to key management personnel does not include the provision made for Gratuity as they are determined on an actuarial basis for the company as a whole.

The Company has entered into various lease arrangements with related parties against which Right-of-use Assets and Lease Liabilities has been recognised as required by IND AS 116. The lease liability at the year end is ₹ 1272.30 lakhs (Previous year was ₹ 1339.48 lakhs)

C. Disclosure requirements under Part-A Schedule V read with Regulation 34(3) & Regulation 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

Disclosure of transactions of the listed entity with any person or entity belonging to the Promoter / Promoter group which holds 10% or more shareholding in the listed entity - Dr.Thavamani Devi Palaniswami.

₹ in Lakhs

| Particulars | 31-03-2023 | 31-03-2022 |
|--|------------|------------|
| Lease rent paid | 192.93 | 155.72 |
| Purchase of Fuel | 90.46 | 105.74 |
| Remuneration, Commission & Perquisites | 441.82 | 406.5 |
| Amount Payable | 326.78 | 296.42 |

Note 44 - Segment reporting

The company is engaged in the business of Healthcare and Medical Education activities. Details of segment wise Revenue and results along with segment assets and liabilities are given below:

a. Segment revenues and results

₹ in Lakhs

| Particulars | Segment Revenue | | Segment Results | |
|---------------------------------------|--------------------|------------------|------------------|------------------|
| | 2022-23 | 2021-22 | 2022-23 | 2021-22 |
| Healthcare | 95,262.69 | 87,749.15 | 18,641.91 | 20,081.02 |
| Education | 6,711.99 | 2,783.52 | 2,415.65 | (712.97) |
| Total | 1,01,974.68 | 90,532.67 | 21,057.66 | 19,368.05 |
| Unallocated (Income) & Expenses (net) | | | 1,519.96 | 977.21 |
| Finance cost | | | 4,015.61 | 4,323.01 |
| Profit before tax (PBT) | - | - | 15,521.99 | 14,067.83 |

b. Segment assets and liabilities

₹ in Lakhs

| Particulars | As at 31-03-2023 | As at 31-03-2022 |
|----------------------------|--------------------|--------------------|
| Segment assets | | |
| Healthcare | 1,10,752.72 | 96,074.39 |
| Education | 30,320.82 | 34,808.53 |
| Unallocated | 3,131.57 | 3,382.78 |
| Sub – Total (A) | 1,44,205.11 | 1,34,265.70 |
| Segment liabilities | | |
| Healthcare | 50,422.44 | 51,984.96 |
| Education | 18,285.98 | 17,911.90 |
| Unallocated | 3,592.26 | 3,437.96 |
| Sub – Total (B) | 72,300.68 | 73,334.82 |
| Total (A-B) | 71,904.43 | 60,930.88 |

c. Other Information

₹ in Lakhs

| Particulars | Healthcare | | Education | | Total | |
|---|------------------|-----------------|---------------|-----------------|------------------|-----------------|
| | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 | 31 March 2023 | 31 March 2022 |
| a) Additions to Non-Current Assets | | | | | | |
| i) Capital Advance | 233.38 | 25.28 | 18.7 | 23.12 | 252.08 | 48.40 |
| ii) Fixed Asset | 8,875.10 | 12,315.43 | 413.95 | 1,329.51 | 9,289.05 | 13,644.94 |
| iii) CWIP (Net of Withdrawals) | 1,786.58 | (3,845.55) | - | (135.41) | 1,786.58 | (3,980.96) |
| iv) Intangible asset | 20.37 | 106.88 | - | 0.32 | 20.37 | 107.20 |
| Total | 10,915.43 | 8,602.04 | 432.65 | 1,217.54 | 11,348.08 | 9,819.58 |
| b) Depreciation and Amortisation | 7,594.34 | 7,301.68 | 1,318.16 | 1,241.14 | 8,912.50 | 8,542.82 |
| c) Other Non cash expenditure | 25.59 | 6.94 | | | 25.59 | 6.94 |

Note 45 – Expenditure in Foreign Currency:

₹ in Lakhs

| Particulars | 31-03-2023 | 31-03-2022 |
|---|------------|------------|
| I. CIF value of imports – Capital goods | 65.29 | 69.86 |
| I. Dividend paid in foreign currency | | |
| a. Dividend | 24.29 | 12.53 |
| b. No. of Non Resident shareholders (in Nos.) | 27 | 28 |
| c. No. of Shares of ₹ 10 each held by them (in Nos) | 4,04,879 | 4,17,812 |

Note 46 - Corporate Social Responsibility (CSR) Activities:
a) Gross amount required to be spent by the company

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|---------------|---------------|
| Gross amount required to be spent by the company during the year | 243.72 | 210.75 |
| Unspent amount pertaining to Previous Financial years | 64.88 | 9.82 |
| Total | 308.60 | 220.57 |

b) Additional disclosures with regard to CSR Activities

₹ in Lakhs

| Particulars | 2022-23 | 2021-22 |
|--|---|--|
| a) Amount required to be spent by the company during the year | 308.60 | 220.57 |
| b) Amount of Expenditure Incurred | | |
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 83.84 | 155.69 |
| c) Short fall at the end of the year | 224.76 | 64.88 |
| d) Total of Previous year shortfall | - | - |
| d) Reason for Short fall | Delay arising from the confirmation of CSR projects by third party CSR implementing agency | Delay in Construction |
| e) Nature of CSR Activities | Chess Olympiad, Youth Conference YUVA India, Making available safe drinking Water, contribution to Prime Minister's National Relief Fund. | Toilets and Class rooms to Govt primary Schools, Mortuary Van to Crematorium and COVID-19 Vaccination for Under Privileged Population. Public Toilets @ Kalapatti, Supply of provision items to under privileged Peoples, PPE Kits & Sanitizers to Coimbatore Corporation. |
| f) Details of Related Party | - | - |
| g) Where a provision is made with respect to liability incurred by entering in to Contractual Obligation | 224.76 | 65.00 |

Movement in Provision for Corporate Social Responsibility Liabilities:

₹ in Lakhs

| Particulars | FY 2022-23 | FY 2021-22 |
|--------------------------------------|------------|------------|
| Opening Provision as at 01.04.2022 | 65.00 | - |
| Less : Amount spent during the year | 65.00 | - |
| Add : Provision made during the year | 224.76 | 65.00 |
| Closing Provision as at 31.03.2023 | 224.76 | 65.00 |

Note 47 - Income tax assessments u/s 143(3) of Income Tax Act, 1961 have been completed up to the Assessment year 2017-18.

Note 48 - Disclosure pertaining to micro, small and medium enterprises

₹ in Lakhs

| Particulars | 31.03.2023 | 31.03.2022 |
|---|---------------|--------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in: | - | - |
| Principal amount due to micro, small and medium enterprises | 78.95 | 54.54 |
| Interest due on above | 25.89 | 14.61 |
| Total | 104.84 | 69.15 |
| The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day. | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006. | 11.28 | 6.23 |
| The amount of interest accrued and remaining unpaid at the end of each accounting year. | 11.28 | 6.23 |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006. | 25.89 | 14.61 |

The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have identified on the basis of information available with the Company.

Note 49 - Disclosure as required under section 186(4) of the Companies Act, 2013

Loans and guarantees furnished by the Company: Nil (Previous year – Nil).

Investments made are given under the respective head.

Note 50 - The New Code on Social Security 2020 (the Code) has been enacted which would impact the contribution by the company towards PF and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.

Note 51 - Power and Fuel consumed is net off Solar Power Income ₹ 472.95 lakhs (Previous Year ₹494.98 lakhs)

Note 52 – The Board of directors recommended a final dividend ₹ 5 per Equity share (financial year 2021-2022 - ₹ 3 per Equity share) and a special dividend ₹ 5 per Equity share (financial year 2021-2022 - ₹ 3 per Equity share) (100% of face value of ₹ 10/- each) for the financial year 2022-2023. The dividend proposed is subject to approval of the members in the ensuing Annual General Meeting.

Note 53 – Ratios

| S.No | Ratio | Ratio Formula | 2022-23 | 2021-22 | Variance | Reason for Variance (more than 25%) |
|------|----------------------------------|--|---------|---------|----------|-------------------------------------|
| 1 | Current Ratio | Current Assets / Current Liabilities | 1.62 | 1.46 | 10.58% | - |
| 2 | Debit Equity Ratio | Borrowings / Shareholders' Fund | 0.71 | 0.84 | -15.48% | - |
| 3 | Debt Service Coverage Ratio | Net Operating Income/ Interest + Principal repayments + lease payments | 2.96 | 1.96 | 51.02% | Due to Prepayment of loan |
| 4 | Return on Equity Ratio | Net Profit / Shareholders' Fund | 16.00% | 17.00% | -5.88% | - |
| 5 | Inventory turnover ratio | Net sales* / Average inventory | 80.36 | 84.64 | -5.07% | - |
| 6 | Trade Receivables turnover ratio | Net sales# / Average Trade Receivables | 45.67 | 60.58 | -24.61% | - |
| 7 | Trade payables turnover ratio | Purchases / Average Trade Payables | 15.26 | 19.38 | -21.25% | - |
| 8 | Working capital turnover ratio | Sales @ / Working Capital | 8.95 | 12.05 | -25.71% | Due to increase in cash flow. |

| S.No | Ratio | Ratio Formula | 2022-23 | 2021-22 | Variance | Reason for Variance (more than 25%) |
|------|--------------------------------|---|---------|---------|----------|-------------------------------------|
| 9 | Net profit ratio - % | Net Profit / Sales | 11.35% | 11.52% | -1.42% | - |
| 10 | Return on capital employed - % | EBIT / Capital Employed ^α | 15.46% | 15.44% | 0.11% | - |
| 11 | Return on Investments - % | Capital Appreciation / Investments at the beginning of the year | 32.00% | 29.63% | 8.01% | - |
| 12 | Return on Networth - % | Net Profit / Shareholders' Fund [§] | 16.10% | 17.12% | -5.91% | - |

* Net sales has been Calculated as 'Net Sales = Revenue from Operation-Other Operating income -Income from Education'

Net sales has been Calculated as 'Net Sales = Revenue from Operation-Other Operating income '

@ Sales = Revenue from Operations

\$ Capital Reserve is excluded in the calculation of Shareholders' Fund

α Capital Employed has been Calculated as 'Capital Employed = Tangible Net Worth- Capital Reserve + Total Debt + Deferred Tax Liability'

Note 54 – In respect of Note nos 7, 8 ,10,13,14 there is no amount due from a director or other officers of the Company or any of them either severally or Jointly with any other persons or debts due by firms or Private Companies respectively in which any director is a partner or a director or a member, except due from Mrs. Thavamani Devi Palaniswami – Joint Managing Director of the Company of ₹ 49 lakhs (March 31, 2022 - ₹ 49 lakhs) which is paid as lease deposit.

Note 55 Inpatients and outpatients revenue is net of discount/ concessional treatment/ claims amounting to ₹ 2031.79 lakhs (PY ₹ 930.72 lakhs)

Note 56 - ADDITIONAL DISCLOSURE ON ACCOUNT OF AMENDMENTS TO SCHEDULE III OF COMPANIES ACT 2013:

(i) Details of Benami property:

No proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Compliance with number of layers of companies:

The company has complied with the number of layers prescribed under the Companies Act, 2013.

(iii) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;"

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency:

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of Property, Plant & Equipment, intangible asset and investment property:

The company has not revalued its property, plant and equipment (including Right of Use Assets) or intangible assets or both during the current or previous year.

(vii) Wilful Defaulter:

The company had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(viii) Compliance with approved scheme(s) of arrangements:

There is no accounting impact of approved scheme of arrangement during the current or previous year.

(ix) Loans to Related Parties and others:

The company had not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that: a) are repayable on demand or b) without specifying any terms or period of repayment.

(x) Struck Off Companies:

The company has no transactions with companies struck off under section 248 of the Companies Act 2013, or section 560 of the Companies Act, 1956

Note 57 - Figures of the previous year have been regrouped, reclassified and rearranged wherever necessary to conform to current year's classification including those as required consequent to amendment to Schedule III of the Companies Act, 2013. All figures are in lakhs unless otherwise stated.

Significant Accounting Policies and the accompanying notes are an integral part of the Financial Statements

As per our report of even date

For VKS Aiyer & Co

Chartered Accountants

ICAI Firm Registration No: 000066S

Sd/-

C S SATHYANARAYANAN

Partner

Membership No. 028328

Place: Coimbatore

Date : 29.05.2023

For and on behalf of the Board of Directors

Sd/-

Dr. NALLA G PALANISWAMI

Managing Director

DIN: 00013536

Sd/-

CA. A.M. PALANISAMY

Director

DIN: 00112303

Sd/-

CA. P.K. GOPIKRISHNAN

Chief Financial Officer

Sd/-

CS. R. PONMANIKANDAN

Company Secretary



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AWARDS

KMCH retains its leadership position

Ranked as the **No. 1 BEST** Multi-speciality hospital in Coimbatore
Consistently five years



by **THEWEEK** MAGAZINE - 2022



Award of Appreciation for **Best Renal Transplant Unit** by Transplant Authority of Tamilnadu - 2022



The New Indian Express - Financial Express Honored KMCH with Six **"The Best Hospital Awards -2022"**

Times Health Survey 2022

Ranked

KMCH as

No. 1

Hospital in

ONCOLOGY

UROLOGY

GYNECOLOGY

GASTRO & HEPATOLOGY

EMERGENCY & TRAUMA CARE



HEALTHCARE EXCELLENCE
SINCE 1990

Thank you for choosing us as your preferred hospital

Setting new benchmarks in quality healthcare



HEALTHCARE EXCELLENCE
Since 1990

Celebrating
33rd
Anniversary



Your trust inspires and motivates us to perform better

Thank you all

Dr. Nalla G Palaniswami

Chairman & Managing Director
Kovai Medical Center and Hospital Limited

KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

Accredited by NABH

99, AVANASHI ROAD, COIMBATORE - 641 014. PH: +91 422 4323 800 - 802, 3083 800, 680 3000, 432 4000
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