

ANNUAL REPORT: 2022

KMC Speciality Hospitals (India) Limited



Kauvery Cares. The Inside Story.

Ever wondered what keeps a hospital running? It's the people. The folks who turn up at work every day knowing that they will face incredible challenges. The teams that strive to give the best outcome for every single patient. Despite the rush, the pressure and the demands - they make each moment count. We are proud of our people who support each other and make every day special for themselves and for our patients.

Board Of Directors

Dr S Chandrakumar

Executive Chairman (Whole-Time)

Dr S Manivannan

Managing Director

Dr D Senguttuvan

Executive Director and Unit Head

Dr T Senthil Kumar

Non-Executive Director

Mr A Krishnamoorthy

Independent Director

CA S Chenthilkumar

Independent Director

Mr N Bala Baskar

Independent Director

Mrs. N Jeyanthei

Independent Director

Key Managerial Personnel

Mr K Anand Babu

Chief Financial Officer

Ms Yasotha Benazir N (up to 15.06.2022)

Company Secretary & Compliance Officer

Ms Sushma K (w.e.f. 15.06.2022)

Company Secretary & Compliance Officer

Bankers

State Bank of India

Punjab National Bank

HDFC Bank

Auditors

M/S. Deloitte Haskins & Sells

Chartered Accountants

ASVN RAMANA Tower 52,

Venkatnarayana Road, T.Nagar,

Chennai – 600 017

Registered Office

6, Royal Road, Cantonment,

Trichy - 620 001

CIN: L85110TN1982PLC009781

E-Mail: corporatecompliance@kauveryhospital.com

Website: www.kauveryhospital.com

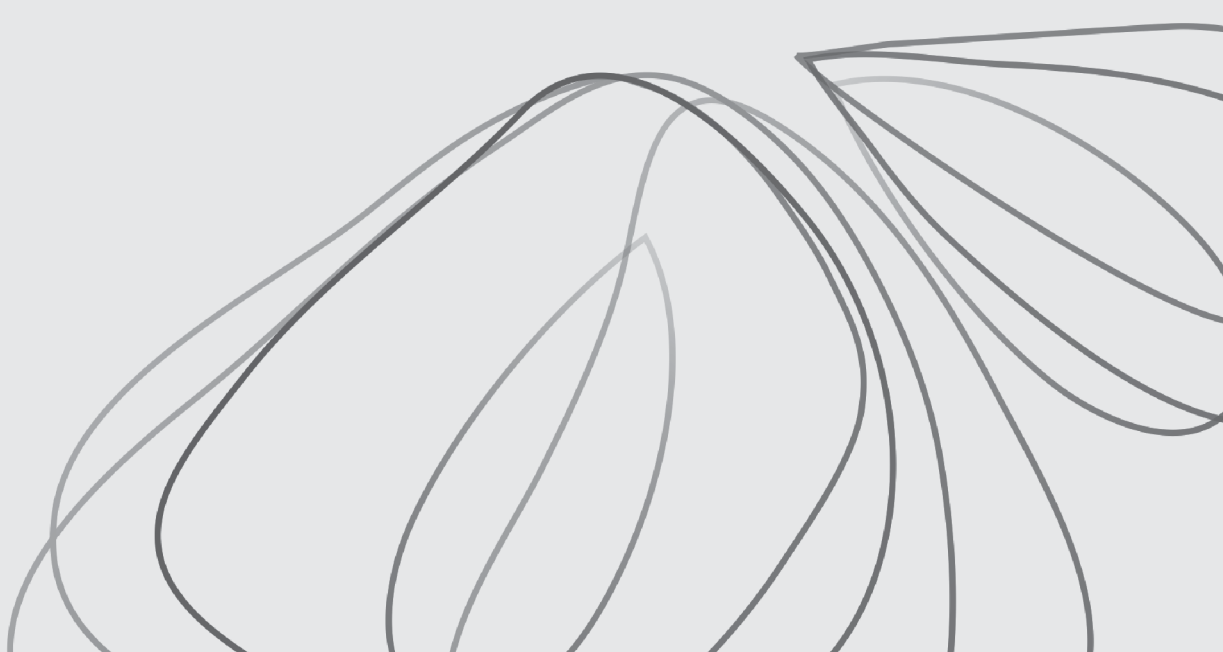
ANNUAL REPORT 2021-2022

**KMC Speciality Hospitals
(India) Limited**

Corporate Information



kauvery
hospital



CONTENT

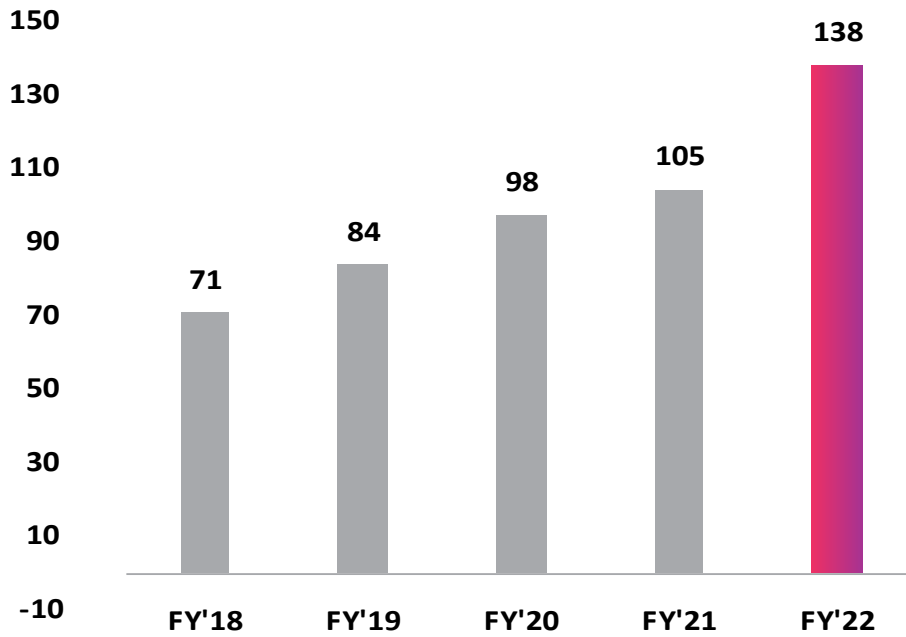
Notice	09
Boards' Report	24
Corporate Governance Report	52
Business Responsibility Report	70
Independent Auditor's Report	80
Balance Sheet	92
Statement of Profit and Loss	94
Cash Flow Statement	98
Notes to the Financial Statements	102



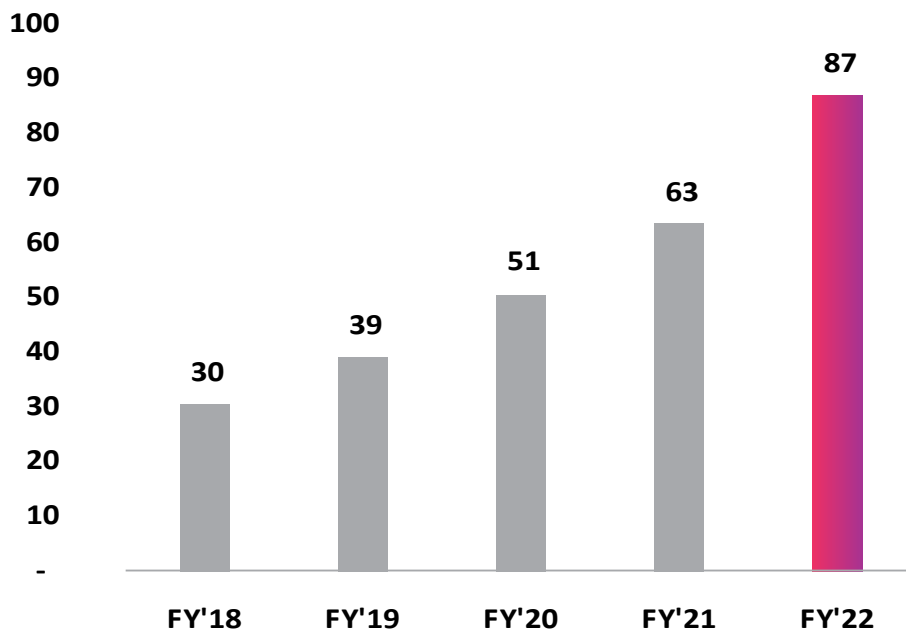
Trends of Key Performance Indicators

Revenues (in Crores)

10 years Revenue CAGR of 21.4%



Networth (in Crores)

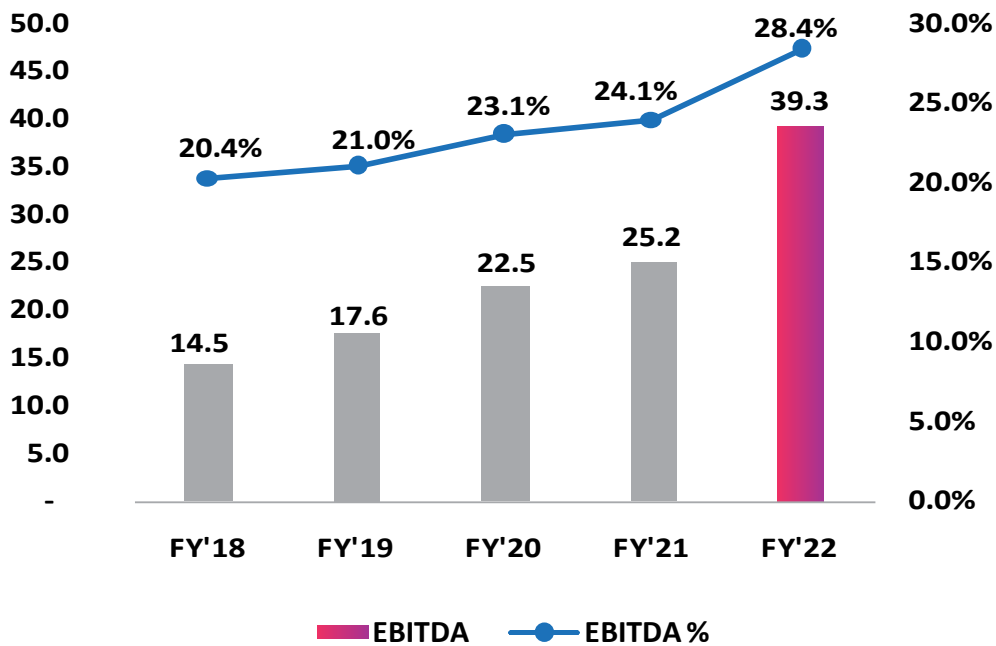




Trends of Key Performance Indicators

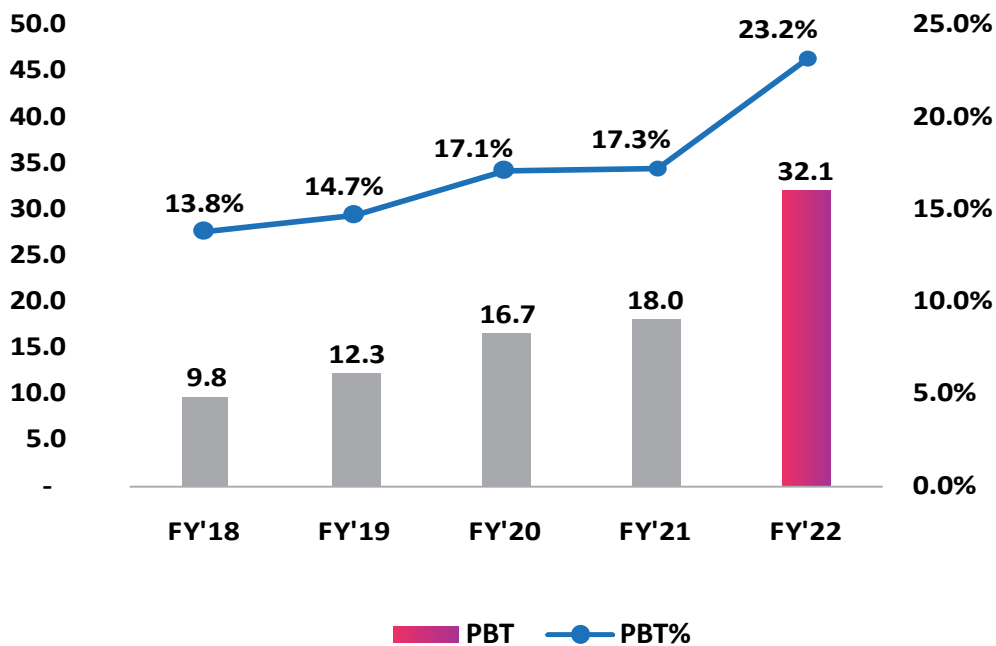
EBITDA (in Crores)

10 years EBITDA CAGR of 26.6%



PBT (in Crores)

10 years PBT CAGR of 38.5%



NOTICE TO SHAREHOLDERS

**KMC Speciality Hospitals
(India) Limited**

CIN: L85110TN1982PLC009781

Registered Office:

No: 6, Royal Road,
Canatonment, Trichy - 620001



KMC Speciality Hospitals (India) Limited

CIN: L85110TN1982PLC009781

REGISTERED OFFICE: NO: 6, ROYAL ROAD, CANTONMENT, TRICHY - 620001

EMAIL ID: corporatecompliance@kauveryhospital.com | CONTACT NO.: 0431-4077777

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **THIRTY NINTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Tuesday, the 27th day of September, 2022 at 10:30 A.M. IST** through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2022 together with the Report of the Board of Directors and the Auditors’ thereon.
2. To appoint a Director in place of Dr T Senthil Kumar (DIN: 01742558), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To Consider Re-Appointment of Mrs. Jeyanthei Narayanasami (DIN: 07143462) as an Independent Director of the Company for a second term (Next Term Period: 30th August, 2023 to 29th August, 2028)

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) thereof for the time being in force) **Mrs. Jeyanthei Narayanasami** (DIN: 07143462), Independent Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby re-appointed as Independent Director of the Company for the second term of 5 years with effect from 30th August, 2023 till 29th August, 2028.

4. Ratification of remuneration to Cost Auditor

*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 other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of **Rs. 50,000/- (Rupees Fifty Thousand only)** plus applicable tax and reimbursement of out of pocket expenses for the financial year 2022-23, as approved by the Board of Directors of the Company, to be paid to M/s Thanigaimani & Associates, Cost Accountants (Registration No. 101899), Chennai, appointed by the Board as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23, be and is hereby ratified.”

By the order of the Board

sd/-

Sushma K

Company Secretary

Place: Chennai

Date: 12th August, 2022



Notes:

1. The Ministry of Corporate Affairs have issued various guidelines and circulars over the period with respect to conduct of the general meetings through VC/OAVM by the companies vide Circular No. 2/2022 dated May 05, 2022 (“MCA Circulars”) Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The forthcoming Annual General Meeting (“AGM”) of the Company will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue of the 39th Annual General Meeting shall be the Registered office of the Company.

2. The Company shall send a physical copy of the Annual Report to those members who have requested the same via mail to the Company and the Registrar and Share Transfer Agent, mentioning their Folio No./ DP ID and Client ID.
3. 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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circular dated May 05, 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 Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The procedure for participating in the meeting through VC / OAVM is explained below and is also available on the website of the Company at www.kauveryhospital.com/investor#. The members may contact the RTA at investor@cameoindia.com or the CDSL helpdesk at helpdesk.evoting@cdslindia.com for any query or help with respect to participation in the meeting or e-voting facility.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who shall be allowed to attend the AGM without any restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. The members attending the AGM through VC/OAVM can vote during the meeting, provided they have not availed the facility of e-voting and voted prior to the meeting.
7. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy on his/her behalf to attend and vote at the AGM. Since the AGM is held through VC/OAVM pursuant to MCA Circulars, physical attendance of the members has been dispensed with and accordingly, the facility to appoint proxy will not be available for this AGM. Hence the proxy form, attendance slip and Route map are not annexed to this Notice.

However, in pursuance of Section 113 of the Companies Act, 2013, representatives of a body corporate who is a member, can attend the AGM through VC/OAVM and cast their votes through e-voting. Corporate Members intending to authorize their representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend the AGM through VC / OAVM and cast their votes through e-voting.



8. In case of joint holders, the member whose name appears as the first holder in the Register of members of the Company shall be entitled to vote at the Annual General Meeting.
9. In accordance with the aforesaid MCA Circular dated May 05, 2022 and SEBI circular dated May 13, 2022, the Notice of the AGM along with the Annual Report 2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company /RTA/ Depositories. Members may note that the Notice and Annual Report 2022 will also be available on the Company's website at <https://www.kauveryhospital.com/investors#>, the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com & website of CDSL at www.evotingindia.com
10. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act") concerning the Special business in the notice in the respect of Item No. 3 & 4 is annexed hereto and forms part of this notice. The profile of the directors seeking appointment/re-appointment, as required in terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.
11. Details pursuant to Secretarial Standard on General Meetings (SS 2) issued by The Institute of Company Secretaries of India in respect of Directors seeking appointment / re-appointment at the Annual General Meeting are annexed for Item No. 2 & 3 of the Notice convening the Thirty Ninth Annual General Meeting of the Company.
12. The Register of Members and the Share Transfer Books of the Company shall remain closed from 21st September, 2022 to 27th September, 2022 (both days inclusive).
13. In case of shares held in Electronic form, members are requested to notify any change in address, e-mail id, bank details, etc. to the concerned Depository Participant, quoting their ID No. and in case of shares held in physical form, members are requested to intimate such change to the Registrar and Transfer Agent, Viz. M/s Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai - 600002. Further, three reminders in the year 2018-19 have been sent to the members holding shares in physical form through our Registrar and Transfer Agent, at their registered addresses insisting them to provide PAN and bank a/c details pursuant to directions given by SEBI circular dated April 20, 2018.
14. Further, pursuant to SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021, the members holding securities in physical form shall furnish the details of PAN, KYC & Nomination, which have not been updated in the database of the Registrar and Transfer Agent, Viz. M/s Cameo Corporate Services Limited. The said circular, along with the forms mentioned herein below have also been uploaded on the website of the Company for easy access:

Form ISR-1: Request for registering PAN, KYC Details or Changes / Updation thereof; to update/change details of PAN, Bank details, Signature, Mobile number, email id and address registered with the Company/RTA.


Form ISR-2: Confirmation of Signature of securities holder by the Banker; to update or record the signature of the shareholder with the Company/RTA.

Form ISR-3: Declaration Form for Opting-out of Nomination by holders of physical securities in Listed Companies; wherein members can declare their intention of opting out of nominating any person for the securities held by them in the Company.

Form No. SH-13: Nomination Form; to register a nominee for the securities held in the Company.

Form No. SH-14: Cancellation or Variation of Nomination; to cancel or change the nominees for the securities held in the Company.

The members holding securities in physical form and intent to register/update any or all of the above details with the Company/RTA are requested to intimate such information/updation to the RTA at the earliest with the above duly filled and signed forms and other relevant documents. Please note that as per the SEBI circular referred above, any



folios wherein any of the PAN, KYC or Nomination details are not available with the RTA on or after April 01, 2023, shall be frozen by the RTA. The securities in such frozen folio will not be able to lodge any grievance or process any request from the RTA until the required details are furnished to the RTA or the securities are dematerialized, and shall be referred to authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025. For any queries or further assistance, members may write a mail to the RTA at investor@cameoindia.com.

15. The Company's website is www.kauveryhospital.com. Annual Reports of the Company and other shareholder communications are made available on the Company's website.
16. All the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is investor@cameoindia.com, mentioning the Company's name i.e., KMC Speciality Hospitals (India) Limited so as to enable the Company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.
17. Members may please note that as per the SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, listed companies can issue securities only in dematerialized form while processing any request for Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal / Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission; Transposition. Accordingly, the security holder can avail service requests by submitting duly filled and signed ISR-4 form. A copy of the said form is also available in the website of the company at <https://www.kauveryhospital.com/investors#>. In view of the above, to process service requests with ease and avail various other benefits not associated with the physical securities, the members are advised to dematerialize the securities held by them in physical form. The members may contact the Company or the RTA with any clarification or help in this aspect.
18. The Register of Directors and their shareholding, maintained u/s 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained u/s 189 of the Companies Act, 2013 and all other documents referred to in the notice and explanatory statement, will be available for inspection electronically by the members during the Meeting through VC/OAVM. Members seeking to inspect such documents are requested to send an email to the Company at corporatecompliance@kauveryhospital.com

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- (i) The voting period commences on 24th September 2022 at 09:00 a.m. IST and ends on 26th September 2022 at 05:00 p.m. IST. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted through e-voting process prior to the meeting date would not be entitled to vote during the meeting.
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 requires listed entities to provide remote e-Voting facility, 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.

Shareholders holding shares in demat mode can also register directly with the depository. Shareholders would be able to access the e-voting page of various ESPs (e-voting service providers) through the websites of the Depositories without further authentication by ESPs for participating in the e-voting process.



Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode through CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) 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 URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) 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 i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) 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 or visit https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, users will be able to see the e-Voting option where the e-voting is in progress and shall also be able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or visit https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser and type 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 (i.e. your sixteen digit demat account number hold with NSDL),



	<p>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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>The members can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, e-Voting option will be visible. Once you 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

For Individual Shareholders holding securities in demat mode, any help/query with respect to technical issues faced for logging in through Depository i.e. CDSL and NSDL can be raised in the following manner:

Login type	Helpdesk details
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 022- 23058738 and 22-23058542-43 or toll free no.: 1800 2255 33.
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 toll free no.: 1800 1020 990 and 1800 22 44 30.

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) Log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter their Folio Number registered with the Company.
- 4) Enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then you can login using the existing password.



6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant Company on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else click on “CANCEL” to change your vote and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) There is also an optional provision to upload BR/POA, if any uploaded, will be made available to Scrutinizer for verification.

(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; corporatecompliance@kauveryhospital.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions at the meeting may register themselves as a speaker by sending a request from their registered email id in advance, **atleast 7 days prior to meeting**, mentioning their name, demat account number/folio number, email id, mobile number at **corporatecompliance@kauveryhospital.com**. The shareholders who do not wish to speak during the AGM but have queries may send their queries **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at **corporatecompliance@kauveryhospital.com**. These queries will be replied to by the company suitably by email or addressed to at the AGM.

The Company reserves the right to restrict the number of questions and speakers depending on the availability of time for the AGM. Further, the sequence in which the shareholders will be called upon to speak will be solely determined by the Company.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.



PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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 **investor@cameoindia.com /corporatecompliance@kauveryhospital.com.**
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013)

The following Explanatory Statement sets out all the material facts relating to the Special Business:

Item No. 3: To Consider Re-Appointment of Mrs. Jeyanthei Narayanasami (DIN: 07143462) as an Independent Director of the Company for a second term (Next Term Period: 30th August, 2023 to 29th August, 2028)

Mrs. Jeyanthei Narayanasami was appointed as an Independent Director of the Company at the Annual General Meeting of the Company held on 28th September, 2018, for first term of five years effective from 30th August, 2018 to 29th August, 2023.

Mrs. Jeyanthei Narayanasami has contributed immensely to the growth of the Company. She is an M.com & MBA Graduate and FCS member from the Institute of Company Secretaries of India. She has 24 years of work experience possessing hands on expertise in key accounting and compliance issues of Indian companies.

The Board of Directors at their meeting held on 12th August, 2022 taking into account the recommendations received from the Nomination & Remuneration Committee, approved the appointment of Mrs. Jeyanthei Narayanasami as an Independent Director of the Company for a second term of five years with effect from 30th August, 2023 to 29th August, 2028, and now proposes the same for the approval of shareholders.

Mrs. Jeyanthei Narayanasami shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013 ("the Act"). She continues to fulfil the conditions for re-appointment as an Independent Director as specified in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Jeyanthei Narayanasami is not disqualified from being appointed as a Director in terms of section 164 of the Act and has consented for her re-appointment.

The Company has received a declaration from her that she meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA).

Mrs. Jeyanthei Narayanasami has consented to and declared as qualified for the appointment as an Independent Director, if made.

In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 and is independent of the management.

Accordingly, the Board of Directors recommends the resolution set forth in Item No. 3 for approval of members as Special Resolution. None of the Directors and Key Managerial Personnel or their relatives, except Mrs. Jeyanthei Narayanasami, to whom the resolution relates, is interested or concerned in this resolution, except to the extent of the Shareholding, if any.

Item No. 4: Ratification of remuneration to Cost Auditor.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to undertake the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 to be conducted by a Cost Accountant in practice.

In compliance with the above and Rule 14 (a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the Audit Committee of the Company at its meeting held on August 12, 2022 considered and recommended to the Board, the appointment of M/s Thanigaimani & Associates, Cost Accountants (Firm Registration Number:101899) as the Cost Auditors of the Company for FY 2022-23 and a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) (plus applicable taxes and reimbursement of out-of-pocket expenses) payable to the Cost Auditors for FY 2022-23.

In making the decision on the appointment and remuneration of the Cost Auditors, the Audit Committee considered, the Cost Auditors' performance during the previous year(s) in examining and verifying the accuracy of the cost accounting records maintained by the Company and the scope of work.

The Board, on the recommendation of the Audit Committee approved the appointment of M/s Thanigaimani & Associates, Cost Accountants (Firm Registration Number: 101899) as the Cost Auditors of the Company for the FY 2022-23. The Board, also on the recommendations of the Audit Committee approved the remuneration of Rs. 50,000 /- (Rupees Fifty Thousand only) (excluding applicable taxes and reimbursement of out-of-pocket expenses) payable to Cost Auditors for FY 2022-23. In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board must be ratified by the Members of the Company. The consent of the Members is sought for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2023.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in this resolution, except to the extent of the Shareholding, if any.

Accordingly, the Board of Directors recommends the resolution set forth in Item No. 4 for approval of members as Ordinary Resolution.



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standards)**

Item No: 2

Name of the Director	Re-appointment
	Dr T Senthil Kumar
Director Identification Number	01742558
Type	Director
Age & Date of Birth	61 years 02.07.1961
Date of Appointment/ Re- appointment	29.09.2016
Qualification	M.B.B.S., MS, M.Ch, FIACS
Number of Equity shares held	1287136
Expertise in specific functional area	General Administration and Cardiology
List of Public Limited Companies in which outside directorships held	Nil
Chairman/ Member of the committee of Board of Directors of the company	Nil
Membership/ Chairmanships of committees of other public companies (Includes only Audit committee and Stakeholders Relationship committee)	Nil
No. of board meetings attended during the year	5
Relationship with Directors inter-se	Nil

Item No: 3

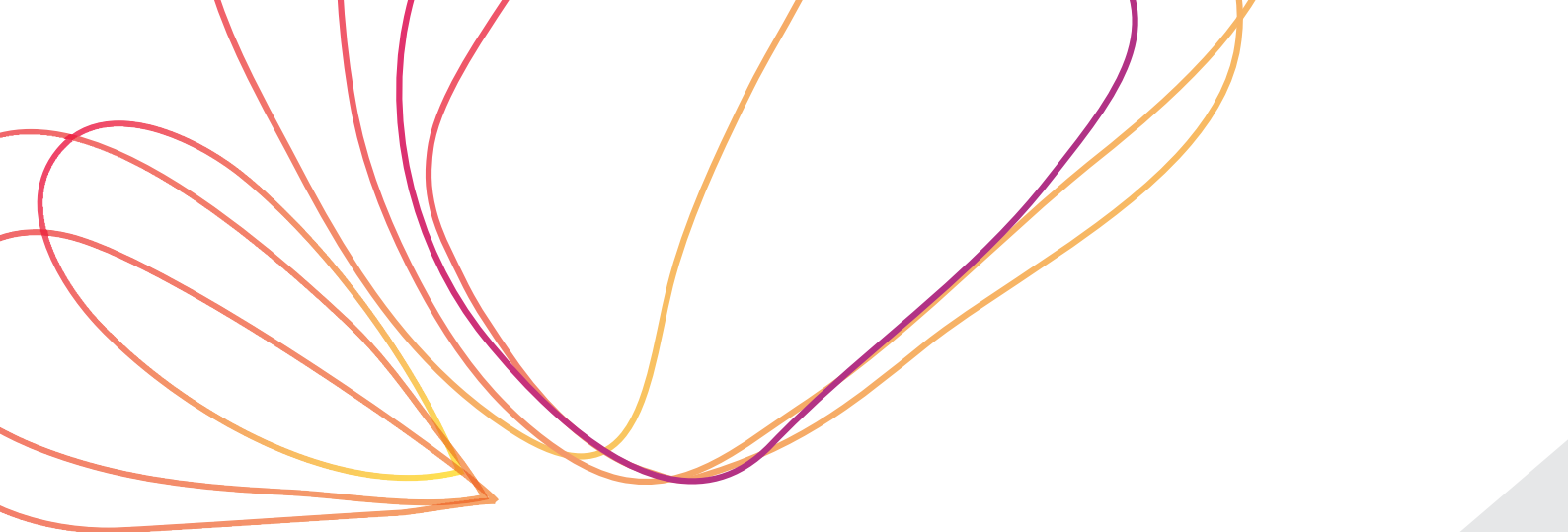
Name of the Director	Re-appointment
	Mrs. Jeyanthei Narayanasami
Director Identification Number	07143462
Type	Independent Director
Age & Date of Birth	64 years 08.07.1958
Date of Appointment/ Re- appointment	30.08.2018
Qualification	M.Com, FCS, MBA
Number of Equity shares held	50100
Expertise in specific functional area	Accounting, Finance, Law, Fund Management, General Administration
List of Public Limited Companies in which outside directorships held	Nil
Chairman/ Member of the committee of Board of Directors of the company	Nil
Membership/ Chairmanships of committees of other public companies (Includes only Audit committee and Stakeholders Relationship committee)	Nil
No. of board meetings attended during the year	5
Relationship with Directors inter-se	Nil



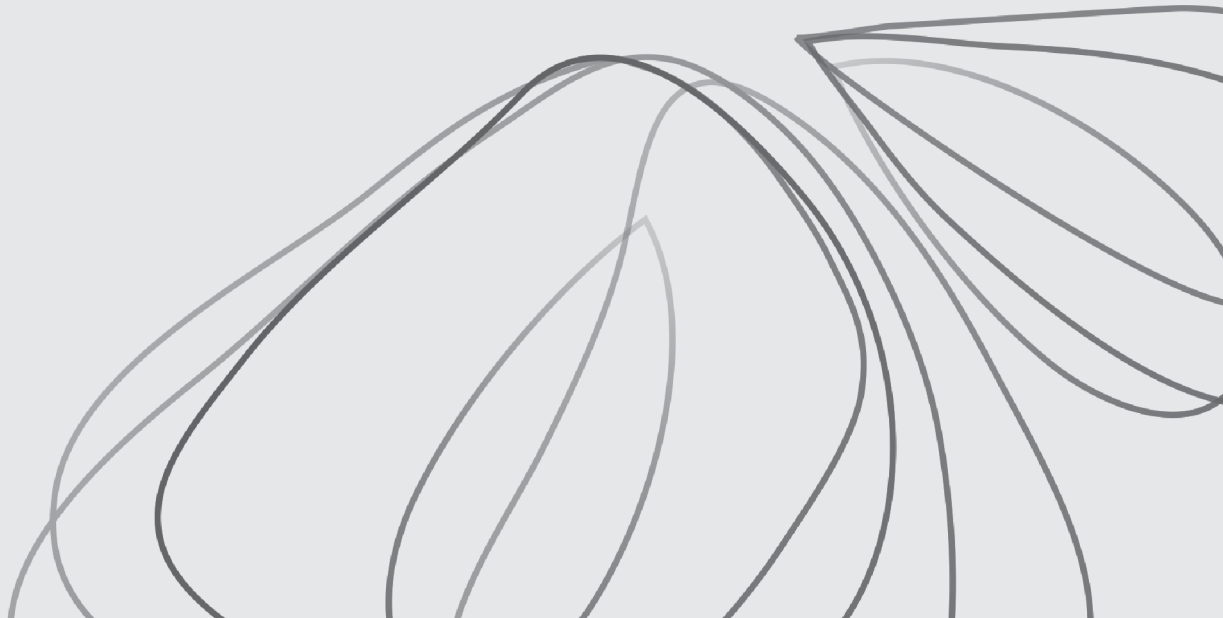
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Other Instructions:

- i. Mr.M.Alagar, Practicing Company Secretary (Membership No.F7488 and PCS No. 8196), Chennai has been appointed as Scrutinizer to scrutinize the e-voting process (electronically or otherwise) in a fair and transparent manner.
- ii. The scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding 48 hours from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman in writing for counter signature.
- iii. The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- iv. Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website www.kauveryhospital.com/investors# and on the website of CDSL <https://www.evotingindia.com>, and communicated to BSE Limited, where the shares of the Company are listed, for placing the same in their website.



kauvery
hospital



Preparing for emergencies

Crisis comes unannounced, but the team is ever-prepared and can pivot to manage any kind of medical challenge within minutes.



**Boards'
Report
2021-22**

BOARDS' REPORT - 2021-22

To,

The Members

Your Directors have pleasure in presenting their **THIRTY-NINTH** Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2022.

1. Financial highlights for the year ended March 31, 2022

Particulars	2021-22 (Rs In Lakhs)	2020-21 (Rs In Lakhs)
Operating Income	13,607.28	10,263.72
Other Income	214.69	192.64
Total Income	13,821.97	10,456.36
Operating Expenses	9,889.88	7,940.17
EBIDTA	3,932.09	2,516.19
Finance Cost	69.58	95.22
Depreciation	652.70	616.59
Profit/(Loss) before Tax	3,209.81	1,804.38
Tax expense	880.46	566.48
Provision for Deferred Tax	(43.23)	(40.04)
Profit/(Loss) after Tax (PAT)	2,372.58	1,277.94

2. Dividend

Board has not recommended dividend for the financial year 2021-22 keeping in view the long term objectives of the Company.

3. Reserves

The Company has not transferred any amount to General reserve during the year.

4. Business and Operations Review

Total Operating income increased by **32.58%** to **Rs. 13,607.28 lakhs** during the financial year 2021-22 from **Rs. 10,263.72 lakhs** in the previous year.

Your Company has earned Profit after tax of **Rs. 2,372.58 lakhs** for the financial year 2021-22 higher than **Rs. 1,277.94 lakhs** achieved during the previous year.

5. Statement in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has an Internal Control System commensurate with the size, scale and complexity of its operations. To maintain independence of the Internal Audit function, the Internal Auditor reports to the Chairman of the Audit Committee.



The Internal Audit Team along with the Process Team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit, corrective actions in the respective areas are undertaken and controls strengthened. Significant audit observations and corrective actions thereon are reported to the Audit Committee of the Board.

6. Disclosure of particulars of loans/advances/investments outstanding during the Financial Year

The Company has not given any loans and advances to any other body corporate and associates as specified under Section 186 of the Companies Act, 2013 during the financial year 2021-22.

The details of the investments made by the Company and guarantees provided by the Company are given in the notes to the financial statements.

7. Deposits

The Company has not accepted any public deposits and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

8. Statutory Auditors

Section 139 of the Companies Act, 2013 provided for the appointment of Statutory Auditors for a period of five years and hence M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No.008072S), Chennai were appointed as the Statutory Auditors of the Company in the Annual General Meeting of the Company held on 26th September, 2019 for a period till the conclusion of the Forty First Annual General Meeting.

Accordingly, M/s. Deloitte Haskins & Sells will continue as Statutory Auditors of the Company till the financial year 2023-24.

9. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals that may have an impact for the company as a going concern and /or company's operations.

10. Closure of Register of Members and Share Transfer Books

The Register of Members and Share Transfer Books of the company will be closed suitably prior to holding Annual General Meeting.

11. The Board observed that there are no qualifications or reservations or adverse remarks by the Statutory Auditors as well as by the Secretarial Auditor in their reports.

12. Share Capital

The Company has not issued any equity shares with differential rights, sweat equity shares, employee stock options or employee stock purchase scheme. No shares have been transferred to Suspense account in terms of Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As at the end of the financial year the Company's Authorized Equity Share Capital stands at Rs. 2500 lakhs and paid-up Equity Share Capital stands at Rs. 1630.85 Lakhs consisting of 1630.85 lakhs fully paid up Equity Shares of Re. 1 each.



13. Corporate Governance

Your Company has been complying with the provisions of Corporate Governance as stipulated in the 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 Schedule V read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Management Discussion & Analysis report are provided elsewhere in this Annual Report.

14. Particulars of Employees

In accordance with the provisions of Section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the name and other particulars of employees are to be set out in the **Annexure - 4** forming part of the Annual Report (Boards' Report). However as per provisions of Sec 136(1) Companies Act, 2013 read with relevant proviso of the Companies Act, 2013 the Annual Report (Boards' Report) is being sent to Members excluding the information relating to 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection at the Registered Office of the Company. Any member interested in obtaining such particulars may write to the Company and the same will be furnished.

15. Business Responsibility Report

In terms of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report for the year 2021-22 describing the initiatives taken from Environment, Social and Governance perspective in the prescribed format is provided elsewhere in this report.

16. Details of Holding, Subsidiaries, Associate/JV Companies:

The Company is a subsidiary of Sri Kauvery Medical Care (India) Limited, which holds 75% of shares in the Company. The Company does not have any subsidiary, Associate or Joint Venture Companies.

17. Transfer to Investor Education and Protection Fund

As required under the provisions of Section 124 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, dividends that remain unpaid/unclaimed for a period of seven years, are to be transferred to the account administered by the Central Government viz., Investor Education and Protection Fund ("IEPF"). There are no amounts which remain unpaid/unclaimed for a period of seven years and hence no amount has been transferred to "IEPF".

18. Copy of Annual Return

The duly certified copy of Annual Return for the Financial Year ended 31st March 2022, as prescribed under Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 shall be placed on the website of the company <http://www.kauveryhospital.com/investors#> after the Annual General Meeting is held.

19. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The particulars required to be given as per Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are as under:



i. Conservation of energy-

Though the nature of the business of the company is such that the consumption of energy is not significant when compared to the overall cost of operations, the company takes all efforts to conserve energy and carries out periodical energy audits.

ii. Technology absorption-

The Company is currently in the process of updating the technology in various fields of equipment. Within the limitations, everything possible was done to acquire, improve and update the technology.

iii. Foreign Exchange Earnings and Outgo

S. No.	Particulars	2021-22	2020-21
1.	Foreign Exchange Earned	Nil	Nil
2.	Foreign Exchange outgo	Nil	Nil

20. Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an initiative brought in by the Ministry of Corporate Affairs whereby every company having net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crores or more or a net profit of Rs. 5 Crores or more during the immediately preceding financial year is mandated to serve the society by contributing at least 2% of the average net profits of the Company made during the three immediately preceding financial years in various CSR activities as defined in Schedule VII of the Companies Act, 2013.

The Company has duly constituted a Corporate Social Responsibility Committee as required under Section 135 (1) of the Companies Act, 2013 and the relevant rules made thereunder and the Board has approved a policy on Corporate Social Responsibility which is available in the website of the Company at <http://www.kauveryhospital.com/investors#>.

The annual report on your Company's CSR activities is appended as **Annexure-3** to the Board's report.

21. Directors and Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Board of Directors is duly constituted. The Directors and Key Managerial Personnel as on date of this report are:

S.No.	Name of the Director/KMP	DIN/PAN	Designation
1	Sundararaj Chandrakumar	01867847	Executive Chairman (Whole-Time Director)
2	Selvaraj Manivannan	00910804	Managing Director
3	Duraisamy Senguttuvan	01867900	Whole-Time Director
4	Krishnamoorthy Arunachalam	00386122	Independent Director
5	Natarajan Bala Baskar	00469656	Independent Director
6	Thirunavukkarasu Senthil Kumar	01742558	Non-Executive Non-Independent Director
7	Chenthilkumar Sathasivam	02621693	Independent Director
8	Narayanasami Jeyanthei	07143462	Independent Director
9	Anandababu Kumaraswamy	AETPA9622D	Chief Financial Officer
10	Yasothea Benazir N	AMMPY3770B	Company Secretary



During the year under review, following changes occurred in the composition of the Board of Directors and KMP:

S.No.	Name of the Director/KMP	DIN	Designation	Effective Date	Nature of Change
1	Athmanathan Ganesan	02122660	Nominee Director	24/05/2021	Cessation
2	Aravindan Selvaraj	05172690	Director	13/08/2021	Cessation
3	Duraisamy Senguttuvan	01867900	Whole Time Director	13/08/2021	Appointment
4	Yasotha Benazir .N	NA	Company Secretary	13/08/2021	Appointment
5	Dandapani Swaminathan	01852739	Director	30/11/2021	Cessation

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, Dr. T Senthil Kumar, Director of the Company retires by rotation and being eligible, offers himself for re-appointment in the ensuing Annual General Meeting.

Details of the composition of the Board and that of various Committees of the Board as at the end of the FY 2021-22 are provided in the Corporate Governance Report annexed to the Boards' Report.

It is also brought to the kind attention of the members that the Company has entered the category of Top 1000 listed entities based on market capitalization on BSE as on March 31, 2022. In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Risk Management Committee in this regard.

22. Declaration given by Independent Directors

All the Independent Directors of the Company have given their declaration under Section 149 (7) of the Companies Act, 2013, confirming that they are in compliance with the criteria as laid down in the said Section for being an Independent Director of the Company. Further, there has been no change in the circumstances which may affect their status as Independent Director during the year.

The Statement of Declarations from Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and the relevant rules and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 has been obtained from Independent Directors and the Board has taken on record the same.

All the Independent Directors have registered with the databank of Independent Directors developed by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Companies Act, 2013 and obtained ID registration certificate. Further the Independent Directors have also declared that in the event of expiry of their registration with the Data bank, they shall take the necessary steps to renew their registration in accordance with the relevant rules of the Companies Act 2013.

23. Policy on Directors' Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of director

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for the selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

24. Particulars of contracts or arrangements with related parties

During the financial year 2021-22 the contracts and arrangements entered by the Company with related parties were on an "arm's length" basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interests of the Company at large.



The policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website.

The details of contracts or arrangements with related parties entered during the year are given in a separate report as **Annexure-1**.

25. Risk Management

The Company approaches Risk Management by identification, assessment, monitoring and mitigation of various risks that the company may face in its business. The Company's enterprise Risk Management approaches, identifies and categorizes the major risks relating to Operations and Finance. The Company's objective is to achieve a balance between acceptable levels of risk and reward in effectively managing its Operational, Financial, Business and other risks which is carried out through the Audit committee which meets at periodic intervals.

26. Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

27. Secretarial Audit Report

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Alagar & Associates, Practicing Company Secretary as the Secretarial Auditors of the Company in the Board Meeting held on 11th February 2022, for the FY 2021-22. The Secretarial Audit Report issued by the Company's Secretarial Auditor M/s. Alagar & Associates is annexed and forms part of this Report in **Annexure-2**. The report does not contain any qualification.

28. Number of meetings of Board

The details of the number of meetings of the Board of Directors are included as a part of Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

29. Composition of Audit Committee

The Audit Committee of the Company has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Audit Committee are included as a part of Corporate Governance Report.

30. Details of establishment of vigil mechanism

The Company has formulated and adopted a vigil mechanism for employees to report genuine concerns to the Chairman of the Audit Committee. The policy provides opportunities for employees to access in good faith, the Audit Committee, if they observe unethical and improper practices. The Whistle Blower policy of the Company is available in the website of the Company. The link for the same is <http://www.kauveryhospital.com/investors#>.



31. Prevention of Insider Trading

The Company has adopted a code for prevention of insider trading with a view to regulate trading and securities by the Directors and Designated Employees of the Company. The code requires pre-clearance for dealing in the Company's securities and prohibits the purchase or sale of Company's Securities while in possession of unpublished price sensitive information and during the period when the trading window is closed.

The Company maintains a Structured Digital Database (SDD) called "Vigilant" software wherein the details of all the designated persons are being captured in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

32. Board Evaluation

Pursuant to the provisions of the Companies Act 2013 and the Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has completed a formal evaluation of their performance and that of its Committees and Individual Directors.

33. Separate Meeting of Independent Directors

The Independent Directors of the Company had met during the financial year to review the performance of the Non-Independent Directors, Chairman (after taking into account the views of Executive and Non-Executive Directors of the Company) and Board as a whole and also the access, quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

During the Financial Year under review the Independent Directors met on 15th March, 2022 and all the Independent Directors attended the Meeting without the presence of the non-independent directors and the members of the management.

34. Listing fees:

The Company confirms that it has paid the annual listing fees for the year 2021-22 to Bombay Stock Exchange where the company's shares are listed.

35. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Company has in place a Policy on prevention of Sexual Harassment, in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees are covered under this policy.

The company had not received any Complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 during the financial year 2021-22.

36. Directors' Responsibility Statement as required under Section 134 (5) of the Companies Act, 2013

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) 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 of the company for that period.
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- (iv) the directors had prepared the annual accounts on a going concern basis.
- (v) the directors, had laid down internal financial controls and such internal financial controls are adequate and were operating effectively.
- (vi) 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.

37. Material changes and commitments affecting financial position between the end of the financial year and the date of the report

There is no change in the nature of business of the Company during the year. There are no material changes and commitments in the business operations of the Company since the close of the financial year on 31st March, 2022 to the date of this report.

38. Familiarization Programme for Independent Directors:

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for the Independent Directors are posted on the website of the Company.

39. Applicability of maintenance of Cost Records as Specified by the Central Government

As per Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, Company is maintaining Cost Records as specified by the Central Government.

The Company had appointed M/s Thanigaimani & Associates, Cost Accountants (Registration No. 101899), Chennai, for auditing the cost records of the Company for the FY 2021-22 and they were further appointed for the FY 2022-23 based on the recommendation of the Audit Committee. Pursuant to the provisions of the Companies Act, 2013 and rules made there under, the remuneration payable to the Cost Auditors for the FY 2022-23 requires ratification of the shareholders and the same is hereby proposed for ratification in the ensuing Annual General Meeting.

40. Secretarial Standards

The Company has complied with the applicable Secretarial Standards as amended from time to time.

41. Acknowledgments

We thank the various Government Agencies and Banks for their continued support and co-operation to the Company. We place on record our appreciation of the contribution made by our employees, consultants and officers of the Company during the year under report.

For and on behalf of the Board of Directors

Place: Chennai

Date: 30th May, 2022

sd/-

Dr S Manivannan

DIN: 00910804

Managing Director

sd/-

Dr S Chandrakumar

DIN: 01867847

Executive Chairman (Whole-Time)

ANNEXURE - 1

Form No. AOC-2

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

Details of Related Party Transactions

1. Details of contracts or arrangements or transactions not at Arm's length basis: None

SI.No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	-
2	Nature of contracts/arrangements/transactions	-
3	Duration of the contracts/arrangements/transactions	-
4	Salient terms of the contracts or arrangements or transactions including the value, if any	-
5	Justification for entering into such contracts or arrangements or transactions'	-
6	Date of approval by the Board	-
7	Amount paid as advances, if any	-
8	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	-



2. Details of material contracts or arrangements or transactions at Arm's length basis.

S. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ Transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service	These transactions are of continuous in nature and are not for a specific period	Revenue from hospital services Rendered	NA	NIL
2	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Hospital services Availed	NA	NIL
3	Sri Kauvery Medical Care (India) Ltd	Purchase and Sale of goods		Sale of goods	NA	NIL
4	Sri Kauvery Medical Care (India) Ltd	Purchase and Sale of goods		Purchase of goods	NA	NIL
5	Sri Kauvery Medical Care (India) Ltd	Purchase and Sale of goods		Purchase of Fixed Assets	NA	NIL
6	Sri Kauvery Medical Care (India) Ltd	Leasing of property of any kind		Rental income	13.11.2013	NIL
7	Sri Kauvery Medical Care (India) Ltd	Leasing of property of any kind		Rental expenses	NA	NIL
8	Sri Kauvery Medical Care (India) Ltd	Purchase and Sale of goods		Purchase of investments	NA	NIL
9	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Guarantee Commission (net)	NA	NIL
10	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Interest Income	NA	NIL
11	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Reimbursement of expenses received	NA	NIL
12	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Reimbursement of expenses paid	NA	NIL
13	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Claims made on behalf of the holding Company	NA	NIL
14	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Reimbursement of Claims received on behalf of the holding Company	NA	NIL
15	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Loan repayment received	NA	NIL
16	Curtis Drug Point Private Limited	Purchase and Sale of goods		Purchase of Goods	NA	NIL
17	Curtis Drug Point Private Limited	Availing and Rendering of Service		Reimbursement Expenses	NA	NIL
18	Trivitron Healthcare Private Limited	Purchase and Sale of goods		Purchase of property, plant and equipment	NA	NIL
19	Trivitron Healthcare Private Limited	Availing and Rendering of Service		Repairs and maintenance - Plant and machinery	NA	NIL
20	Neuberg Ehrlich Laboratory Private Limited	Availing and Rendering of Service		Testing Fees	NA	NIL
21	Kavery Medical Trust	Leasing of property of any kind		Rent Paid	NA	NIL
22	Kauvery Hospital Medical Services Private Limited	Purchase and Sale of goods		Purchase & Sale of Goods	NA	NIL
23	Kauvery Hospital Medical Services Private Limited	Availing and Rendering of Service		Software Maitenance Charges	NA	NIL
24	Kauvery Hospitals (Bengaluru) Private Limited	Availing and Rendering of Service		Reimbursement of expenses	NA	NIL
25	Dr Suchitra	Availing and Rendering of Service		Doctor fees paid in professional capacity	NA	NIL
26	Dr D Senguttuvan	Availing and Rendering of Service		Remuneration and doctor fees paid in professional capacity	NA	NIL

ANNEXURE - 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

KMC Speciality Hospitals (India) Limited

No. 6 Royal Road Cantonment

Trichy - 620 001

We have conducted the Secretarial Audit in compliance of applicable statutory provisions and the adherence to good corporate practices by **KMC Speciality Hospitals (India) Limited** herein after called the ("**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended March 31, 2022 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "**the Company**" for the Financial Year ended March 31, 2022 according to the provisions of:

1. The Companies Act, 2013 ('Act') and the rules made thereunder, as amended from time to time including Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and as mandated by the Companies Act, 2013.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, as amended from time to time;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, as amended from time to time;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as amended from time to time; (Not applicable for the Company for the Audit period)
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), as amended from time to time:-
 - (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;- (there were no events requiring compliance during the audit period);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)


- 
- (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding dealing with client;
 - (f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (g) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (there were no events requiring compliance during the audit period) and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (there were no events requiring compliance during the audit period)

We report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check-basis, 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 industry specific laws, rules, regulations and guidelines as listed below;

1. Atomic Energy Act, 1962
2. Bio-Medical Waste (Management and Handling) Rules, 1998
3. Blood Bank Regulations under Drugs and Cosmetics, Act 1940
4. Drugs and Cosmetic Act 1940
5. Pre-conception and Pre-natal Diagnostic Techniques Act, 1994
6. Pharmacy Act 1948
7. The Tamil Nadu Narcotic Drugs Rules, 1985
8. The Registration of Births and Deaths Act, 1969
9. Transplantation of Human Organ Act 1994
10. Tamilnadu Tax on Consumption or Sale of Electricity Act, 2003

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check-basis, 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 Labour and Industrial Laws as listed below;

1. The Contract Labour (Regulation and Abolition) Act, 1970
2. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952
3. The Employees' State Insurance Act, 1948
4. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
5. The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
6. The Maternity Benefit Act, 1961
7. The Minimum Wages Act, 1948
8. The Payment of Bonus Act, 1965
9. The Payment of Gratuity Act, 1972

- 
10. The Payment of Wages Act, 1936
 11. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 12. The Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981
 13. The Tamil Nadu Labour Welfare Fund Act, 1972
 14. The Tamil Nadu Payment of Subsistence Allowance Act, 1981
 15. The Tamil Nadu Shops and Establishments Act, 1947
 16. The Tamil Nadu Tax on Professions, Trades & Callings and Employments Act, 1992

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc., mentioned above.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance or as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 audit period, except the events listed below no other events occurred which had any major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards and that the Company has complied with such of those relevant clauses thereto which are applicable:

- Mr. Dandapani Swaminathan resigned from the post of Independent Director with effect from November 30, 2021.
- Mr. Athmanathan Ganesan resigned from the post of Nominee Director with effect from May 24, 2021.
- Dr. S Aravindan resigned from the post of Director with effect from August 13, 2021.
- Dr. D Senguttuvan was appointed as a Whole-time Director with effect from August 13, 2021.
- Ms. Yasotha Benazir N was appointed as Company Secretary (Key Managerial Personnel) with effect from August 13, 2021.

For **M.Alagar & Associates**
(Practising Company Secretaries)
Peer Review Certificate No:1707/2022

sd/-

M.Alagar
Managing Partner
FCS No: 7488
CoP No: 8196
UDIN:F007488D000368651

Place: Chennai

Date: May 23, 2022

This Report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.



ANNEXURE - A

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members

KMC Speciality Hospitals (India) Limited

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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 **M.Alagar & Associates**

(Practising Company Secretaries)

Peer Review Certificate No:1707/2022

sd/-

M.Alagar

Managing Partner

FCS No: 7488

CoP No: 8196

UDIN:F007488D000368651

Place: Chennai

Date: May 23, 2022

ANNEXURE - 3

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

As per the Companies Act, 2013, the Company has a policy on Corporate Social Responsibility (hereinafter referred as CSR) whereby it is mandatory to spend at least 2% of average net profits of the immediately preceding 3 financial years on "CSR" activities. CSR involves incurring costs that do not provide an immediate financial benefit to the Corporates, but instead promote positive social environmental change. In line with the above, the Company's CSR policy is designed keeping in mind the vision, mission, socio-economic environment and capacities of the company.

2. The Composition of the CSR Committee

S. No.	Name	Designation	Chairman/Member
1	Mr A Krishnamoorthy	Independent Director	Chairman
2	Dr S Chandrakumar	Executive Chairman (Whole-time)	Member
3	Dr S Manivannan	Managing Director	Member

3. Kindly refer the Corporate Social Responsibility Policy published in the website of the Company at the web link:
<http://www.kauveryhospital.com/our-locations/pdfs/policies-coded/CSR-policy.pdf>

4. 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: Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company as per Section 135 - Rs. 11,48,44,500/-

7. (a) Two percent of average net profit of the company as per section 135(5) - Rs. 22,96,890/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - Nil

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

(d) Total CSR obligation for the financial year - Rs.23,00,000/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	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	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 23,00,000/-	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable



(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Pediatric Oncology	Item No I - Preventive Healthcare	Yes	Tamil Nadu	Trichy	One time	18,00,000/-	18,00,000/-	Not Applicable	No	Round Table India Trust	-
2.	Sports - Tennis	Item no VII - Promoting Sports	Yes	Tamil Nadu	Trichy	One time	5,00,000/-	5,00,000/-	Not Applicable	Yes	NA	NA
	TOTAL						23,00,000/-	23,00,000/-				

(c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year : Rs. 23,00,000/-

(g) Excess amount for set off, if any: Nil

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** Not Applicable

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year –** Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profits as per section 135(5) –** Not Applicable

Place: Chennai

Date: 30th May, 2022

sd/-

Dr S Manivannan
Managing Director
DIN: 00910804

sd/-

Mr A Krishnamoorthy
Chairman of the CSR Committee
DIN: 00386122

ANNEXURE - 4

Details as per Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

S. No.	Name of the Director	Ratio of the remuneration of director to the median employee remuneration
1.	Dr S Chandrakumar	60.34
2.	Dr S Manivannan	60.34

2. Percentage increase in remuneration

S. No.	Name of the Director	Designation	% of increase / decrease in Remuneration
1.	Dr S Chandrakumar	Executive Chairman (Whole-Time)	65%
2.	Dr S Manivannan	Managing Director	83%
3.	Dr D Senguttuvan	Whole Time Director	20%*
4.	Mr K Anandababu	Chief Financial Officer	48%
5.	Ms Yasotha Benazir N	Company Secretary	NA**

*Was appointed as Whole Time Director w.e.f. 13/08/2021

**Was appointed as Company Secretary w.e.f. 13/08/2021

3. Percentage increase in the median remuneration of employees

The percentage of increase in the Median employee remuneration is 11% as compared to the previous year.

4. Permanent Employees

The Number of Permanent Employees on the rolls of the Company as on March 31, 2022 is 814 employees.

5. Average percentile increase made in salaries of employees other than KMP in comparison to the percentile increase in the remuneration of KMP and the justification thereof

The average percentile increase in salaries of employees other than KMP is 9% while that of KMPs is 48%.

Justification for increase in remuneration of Director and Employees: Compensation revisions take into account performance metrics on sales, operating profits apart from other specific elements attributable to various functions within the organization. The Company's performance against the above metrics was close to or marginally above budgeted levels. The revisions also need to be reviewed in the light of short and medium term forecasts and budgets on profitability apart from qualitative objectives including quality and leadership parameters. Taking into account all the above elements the remuneration levels were increased as disclosed above.

6. Affirmation that the remuneration is as per the remuneration policy of the Company

The Company affirms remuneration is as per the remuneration policy of the Company.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion and Analysis Report is a “forward looking statement” and forms part of the Annual Report of the Company. It indicates the Company’s movement in the external environment vis-à-vis its own strengths and resources detailing the Company’s objectives and expectations.

1. INDUSTRY STRUCTURE:

Healthcare has become one of India’s largest sector, both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players.

Indian healthcare delivery system is categorized into two major components public and private. The Government, i.e. public healthcare system, comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of primary healthcare centres (PHCs) in rural areas. The private sector provides majority of secondary, tertiary, and quaternary care institutions with major concentration in metros and Tier I and Tier II cities.

India’s competitive advantage lies in its large pool of well-trained medical professionals. India is also cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe.

As of March 21, 2022, more than 181.52 crore COVID-19 vaccine doses have been administered across the country.

Government Initiatives

Some of the major initiatives taken by the Government of India to promote Indian healthcare industry are as follows:

- In the Union Budget 2022-23:
 - ♦ Rs. 86,200.65 crore (US\$ 11.28 billion) was allocated to the Ministry of Health and Family Welfare (MoHFW).
 - ♦ Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated Rs. 10,000 crore (US\$ 1.31 billion).
 - ♦ Human Resources for Health and Medical Education was allotted Rs. 7,500 crore (US\$ 982.91 million).
 - ♦ National Health Mission was allotted Rs. 37,000 crore (US\$ 4.84 billion).
 - ♦ Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allotted Rs. 6,412 crore (US\$ 840.32 million).
 - ♦ The Government of India approved continuation of ‘National Health Mission’ with a budget of Rs. 37,000 crore (US\$ 4.85 billion)
 - ♦ Rs. 5,156 crore (US\$ 675.72 million) was allocated to the newly announced PM-ABHIM to strengthen India’s health infrastructure and improve the country’s primary, secondary and tertiary care services.

As of April 5, 2022, 117,771 Ayushman Bharat-Health and Wellness Centres (AB-HWCs) are operational in India.

As of April 5, 2022, 748 e-Hospitals were established across India as part of the Central Government’s ‘Digital India’ initiative.

In November 2021, the Government of India, the Government of Meghalaya and the World Bank signed a US\$ 40-million health project for the state of Meghalaya. Project will improve the quality of health services and strengthen the state’s capacity to handle future health emergencies, including the COVID-19 pandemic.



By September 21, 2021, the Health Ministry's eSanjeevani telemedicine service crossed 12 million teleconsultations since its launch, enabling patient-to-doctor consultations, from the confines of their homes, and doctor-to-doctor consultations.

India could restart deliveries of Covid-19 shots to global vaccine-sharing platform COVAX in November-December 2021 for the first time since April 2021. The World Health Organization (WHO), which co-leads COVAX, has been pushing India to resume supplies for the programme, particularly after it sent ~4 million doses to its neighbours and allies in October 2021.

In September 2021, Prime Minister Mr. Narendra Modi, while speaking at the global COVID-19 summit, said that India had shared its vaccine production with 95 countries and the UN peacekeepers. He also stated that India will supply COVID-19 vaccines to other countries after increased production.

In September 2021, Prime Minister Mr. Narendra Modi launched the Ayushman Bharat Digital Mission. The mission will connect the digital health solutions of hospitals across the country with each other. Under this, every citizen will now get a digital health ID and their health record will be digitally protected.

In September 2021, Telangana government in a joint initiative with World Economic Forum, NITI Aayog and HealthNet Global (Apollo Hospitals) launched 'Medicine from the Sky' project. The project will pave the way for drone delivery of life saving medicines and jabs in far-flung regions of the country.

According to a spokesperson, the Indian government is planning to introduce a credit incentive programme worth Rs. 500 billion (US\$ 6.8 billion) to boost the country's healthcare infrastructure. The programme will allow firms to leverage the fund to expand hospital capacity or medical supplies with the government acting as a guarantor and strengthen COVID-19-related health infrastructure in smaller towns.

In July 2021, the Ministry of Tourism established the 'National Medical & Wellness Tourism Board' to promote the Medical and Wellness Tourism in India.

In July 2021, the Union Cabinet approved continuation of the National Ayush Mission, responsible for the development of traditional medicines in India, as a centrally sponsored scheme until 2026.

In July 2021, the Union Cabinet approved the MoU between India and Denmark on cooperation in health and medicine. The agreement will focus on joint initiatives and technology development in the health sector with the aim of improving public health status of the populations of both countries.

In June 2021, the Union Ministry of Health and Family Welfare, in partnership with UNICEF, held a capacity building workshop for media professionals and health correspondents in Northeastern states on the current COVID-19 situation in India, the need to bust myths regarding COVID-19 vaccines & vaccination and reinforce the importance of COVID-19 Appropriate Behaviour (CAB).

In June 2021, Bolo Indya, a domestic social live streaming platform, partnered with the Ministry of AYUSH to improve awareness for traditional Indian methods of medicines and care such as siddha, yoga, unani and ayurveda to boost healthy living among citizens. Through this partnership, >10 million citizens will be covered in the next 12 months.

In June 2021, the government invited bids for using drones to deliver COVID-19 vaccines and drugs to remote and difficult-to-reach areas to ensure last-mile coverage in select locations of the country.

As of May 2021, 11.9 lakh Health IDs have been generated and 3,106 doctors and 1,490 facilities have registered on the National Digital Health Mission (NDHM) platform.

In May 2021, Defense Minister Mr. Rajnath Singh launched 'Services e-Health Assistance & Tele-consultation (SeHAT)' OPD portal to provide telemedicine services to armed forces personnel and veterans.



On May 17, 2021, the Defence Ministry launched the first batch of anti-COVID drug, 2-deoxy-D-glucose (2-DG) that was developed by the Institute of Nuclear Medicine and Allied Sciences (INMAS), a lab of Defence Research and Development Organisation (DRDO), along with Dr. Reddy's Laboratories (DRL), Hyderabad.

In May 2021, the government announced its plan to ramp up supply and availability of Amphotericin-B, the anti-fungal drug, for treatment of the 'Black Fungus' disease. It has also given the license to five manufactures to produce the drug within the country.

In March 2021, various states and UTs started implementation of the 'Intensified Mission Indradhanush 3.0'—a campaign aimed to reach those children and pregnant women who were missed out or have been left out of the routine immunisation programme due to the COVID-19 pandemic. This is aimed to accelerate the full immunisation of children and pregnant women through a mission mode intervention.

In March 2021, the Parliament passed the National Commission for Allied, Healthcare Professions Bill 2021, which aims to create a body that will regulate and maintain educational and service standards for healthcare professionals.

Significant Industry highlights:

- The Indian healthcare sector is expected to record a three-fold rise, growing at a CAGR of 22% between 2016–2022 to reach US\$ 372 billion in 2022 from US\$ 110 billion in 2016.
- By FY22, Indian healthcare infrastructure is expected to reach US\$ 349.1 billion.
- As of 2021, the Indian healthcare sector is one of India's largest employers as it employs a total of 4.7 million people. The sector has generated 2.7 million additional jobs in India between 2017-22 – over 500,000 new jobs per year.
- In the Economic Survey of 2022, India's public expenditure on healthcare stood at 2.1% of GDP in 2021-22 against 1.8% in 2020-21 and 1.3% in 2019-20.
- A growing middle-class, coupled with rising burden of new diseases, are boosting the demand for health insurance coverage. With increasing demand for affordable and quality healthcare, penetration of health insurance is poised to expand in the coming years. In FY21, gross direct premium income underwritten by health insurance companies grew 13.3% YoY to Rs. 58,572.46 crore (US\$ 7.9 billion). The health segment has a 29.5% share in the total gross written premiums earned in the country.
- The Indian medical tourism market was valued at US\$ 2.89 billion in 2020 and is expected to reach US\$ 13.42 billion by 2026.
- According to India Tourism Statistics at a Glance 2020 report, close to 697,300 foreign tourists came for medical treatment in India in FY19. India has been ranked 10th in the Medical Tourism Index (MTI) for 2020-21 out of 46 destinations by the Medical Tourism Association.
- The e-health market size is estimated to reach US\$ 10.6 billion by 2025.
- As of January 2022, the number of medical colleges in India stood at 595.
- As per information provided to the Lok Sabha by the Minister of State for Health & Family Welfare, Dr. Bharati Pravin Pawar, the doctor population ratio in the country is 1:854, assuming 80% availability of 12.68 lakh registered allopathic doctors and 5.65 lakh AYUSH doctors.



Road Ahead

- India is a land full of opportunities for players in the medical devices industry. The country has also become one of the leading destinations for high-end diagnostic services with tremendous capital investment for advanced diagnostic facilities, thus catering to a greater proportion of population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep.
- Indian healthcare sector is much diversified and is full of opportunities in every segment, which includes providers, payers, and medical technology. With the increase in the competition, businesses are looking to explore for the latest dynamics and trends which will have positive impact on their business.
- The Government of India is planning to increase public health spending to 2.5% of the country's GDP by 2025.
- India's competitive advantage also lies in the increased success rate of Indian companies in getting Abbreviated New Drug Application (ANDA) approvals. India also offers vast opportunities in R&D as well as medical tourism. To sum up, there are vast opportunities for investment in healthcare infrastructure in both urban and rural India.
- Home health care is expected to be a big winner as consumer receptiveness towards out-of hospital, at-home services across the care continuum shoots up, with 70–80 percent of the sample responding positively towards at-home-care settings across consultation, diagnostics, day-care services and in-patient care.

Source: IBEF Healthcare update March, 2022

2. OPPORTUNITIES AND THREATS:

Opportunities:

- Rising income level
- Greater health awareness,
- Increased precedence of lifestyle diseases
- Improved access to health insurance coverage
- Opportunity for horizontal and vertical growth.
- Growing elderly population, changing disease patterns
- Encouraging avenues for attracting prospective investments.
- Great potential for medical tourism.

Threats:

- Increased Competition
- Increase in Cost of operation
- Technological Advancements
- Man Power Attrition

3. RISKS AND CONCERNS

- Increasing competitive intensity in the healthcare sector
- Increasing cost / scarcity of resources in the Industry
- Constant change in technology and revamping of existing systems.
- Government regulations and restrictions.



4. FINANCIAL AND OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, and Indian Accounting Standards (Ind AS) in India. The management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect the state of affairs of the Company in a true and fair manner.

Particulars	2021-22 (Rs In Lakhs)	2020-21 (Rs In Lakhs)
Operating Income	13,607.28	10,263.72
Other Income	214.69	192.64
Total Income	13,821.97	10,456.36
Operating Expenses	9,889.88	7,940.17
EBIDTA	3,932.09	2,516.19
Finance Cost	69.58	95.22
Depreciation	652.70	616.59
Profit/(Loss) before Tax	3,209.81	1,804.38
Tax expense	880.46	566.48
Provision for Deferred Tax	(43.23)	(40.04)
Profit/(Loss) after Tax (PAT)	2,372.58	1,277.94

Total Operating income increased by **32.58%** to **Rs. 13,607.28 lakhs** during the financial year 2021-22 from **Rs. 10,263.72 lakhs** in the previous year.

Your Company has earned Profit after tax of **Rs. 2,372.58 lakhs** for the financial year 2021-22 higher than **Rs. 1,277.94 lakhs** achieved during the previous year.

Improvement in Bed occupancy with better revenue mix coupled with operational efficiency and cost control measures contributed to better profitability.

5. OUTLOOK

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. Further, India's medical educational infrastructure has grown rapidly in the last few decades.

Over the years, India has made strategic interventions in the National Health Mission and the national disease control programmes to ensure quality and affordable healthcare for all. The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well private players. India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost competitive compared to its peers in Asia and western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe.

The biggest health emergencies of our times have not just laid bare the myriad challenges and gaps in our health system but also highlighted the importance of investing in 'well-being' at both personal and system level.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded, protected from unauthorized use and the transactions are authorized, recorded and reported correctly. The company conducts audit of various departments with an audit plan through an independent Internal Auditor and reports to the Audit Committee on significant issues with Action Taken Report. Wherever necessary the inputs of the Statutory Auditors are also obtained to ensure efficiency of the operations and accounting.



7. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NO OF PEOPLE EMPLOYED

The Company recognizes importance of leadership, technical and behavioral development for employees across the Company. The Company has launched continuous improvement & training programs aimed for increasing knowledge level of employees and offer rewards to those employees who performed well in such programs. Staff levels have been maintained adequately as per requirements.

8. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREOF

S. No	Ratios	Basis	31-Mar-22	31-Mar-21	Variance (in %)	Reasons
1.	Current ratio	Current Assets/Current Liabilities	2.18	2.08	5	-
2.	Debt Equity ratio	Total Liabilities/ Shareholder funds	0.31	0.43	-27	HDFC Land Loan Closed Last Year Feb' 21- Rs.235 Lakhs
3.	Debt service coverage ratio	Net Operating revenue / Total Debt	16.33	5.06	223	HDFC Land Loan Closed Last Year Feb' 21- Rs.235 Lakhs
4	Return on equity ratio	Net profit after taxes/ Average shareholders' equity	1.45	0.78	86	During FY 21 Return on Equity is Low due to Covid 19
5	Inventory Turnover ratio	Sales/ Average Inventory	36.70	25.06	46	Pharmacy sales Increased
6	Trade receivable turnover ratio	Net Credit Sales/ Average Accounts Receivable	13.78	11.49	20	-
7	Net Profit ratio	Net Profit/ Net Sales	17	17	-1	-

DECLARATION AS TO THE COMPLIANCE OF CODE OF CONDUCT OF THE BOARD MEMBERS AND THE SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted the Code of Conduct for its employees including the Directors and Senior Management Personnel. The Code of Conduct is posted on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2022, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them for the year ended March 31, 2022.

Place: Chennai

Date: 30th May, 2022

sd/-

Dr S Manivannan

Managing Director

DIN: 00910804



MD & CFO CERTIFICATION AS PER REGULATION 17(8) READ WITH PART B OF SCHEDULE II OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We certify to the Board that:

- A) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2022 and that to the best of our knowledge and belief:
1. these statements do not contain materially untrue statement or omit any material fact or contain statement 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 violate 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 the internal control systems of the company pertaining to the financial reporting and we have disclosed to auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify the deficiencies.
- D) We have indicated to auditors and the Audit Committee
1. Significant changes in internal control over financial reporting during year;
 2. Significant changes in accounting policies during the year and 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.

Place: Chennai

Date: 30th May, 2022

sd/-

Dr S Manivannan

Managing Director

DIN: 00910804

sd/-

K Anand Babu

Chief Financial Officer



CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER REGULATION 34(3) AND 53(F) READ WITH SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FROM A PRACTISING COMPANY SECRETARY

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

KMC Speciality Hospitals (India) Limited

We have examined the compliance of conditions of Corporate Governance by **KMC Speciality Hospitals (India) Limited**, for the year ended March 31, 2022 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR.

We 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.

For **M. Alagar & Associates**
(Practising Company Secretaries)
Peer Review Certificate No:1707/2022

sd/-

M. Alagar

Managing Partner

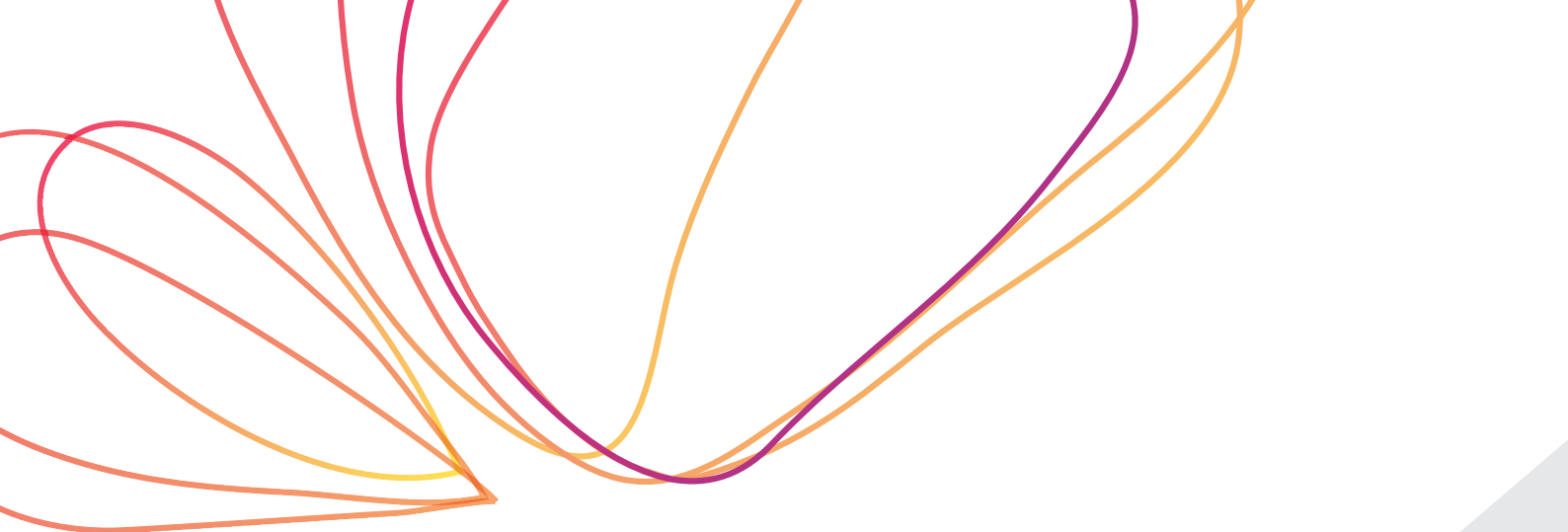
FCS No: 7488

CoP No.: 8196

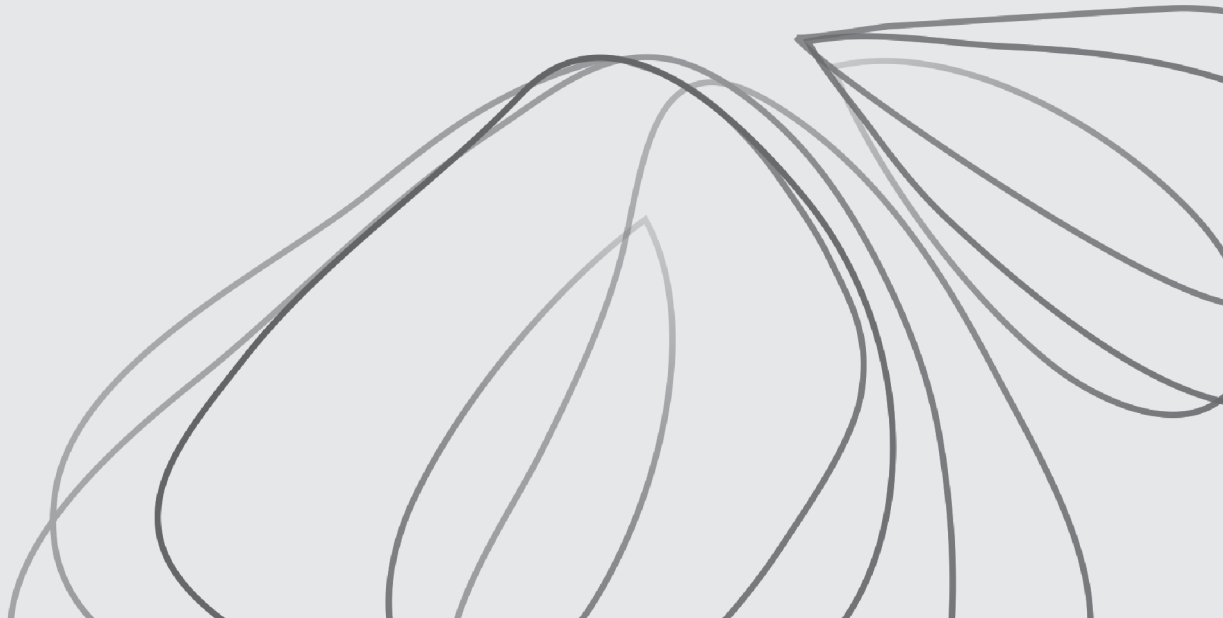
UDIN: F0007488D000368827

Place: Chennai

Date: May 23, 2022



kauvery
hospital





Unwinding over coffee

The team that laughs together, stays together. It is heartening to see the shared camaraderie and affinity that is an integral part of the Kauvery culture.



Corporate Governance Report

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in adopting best practices of Corporate Governance and striving for continuous improvement. The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board or the committees of the members of the Board which endeavors to maintain transparency at all levels through adoption of best Corporate Governance Practices.

2. BOARD OF DIRECTORS

The Board has an optimum combination of Executive, Non- Executive and Independent Directors, which ensures proper governance and management.

Composition of the Board and directorships held as on 31st March 2022:

Name of the Director	Designation	Attended previous AGM held on 27/09/2021	Total Board meeting entitled to attend	Total Board meetings attended	No. of Directorship in other companies	Number of memberships and Chairmanship in Audit/Stakeholder Relationship Committee(s) including this listed entity	
						Member**	Chairman*
Dr S Chandrakumar	Executive Chairman (Whole- Time)	YES	5	5	8	1	0
Dr S Manivannan	Managing Director	YES	5	5	11	2	0
Dr D Senguttuvan	Whole Time Director	YES	2	2	1	0	0
Dr T Senthil Kumar	Non-Executive Non-Independent Director	YES	5	5	0	0	0
CA S Chenthilkumar	Independent Director	YES	5	5	1	1	1
Mr A Krishnamoorthy	Independent Director	YES	5	5	3	4	1
Mr N Bala Baskar	Independent Director	YES	5	5	2	3	0
Mrs N Jeyanthei	Independent Director	YES	5	5	2	0	0

* Pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes Chairmanship of Audit Committee and Stakeholders Relationship Committee in Listed Public Companies only.

** Pursuant to Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure includes Membership of Audit Committee and Stakeholders Relationship Committee in Public Companies whether Listed or unlisted.

The Total strength of the Board as on the date of the Report is - **8**.

3. NAME AND CATEGORY OF THE DIRECTORSHIP IN OTHER LISTED ENTITY

S. NO.	NAME OF THE DIRECTOR	NAME OF THE OTHER LISTED ENTITY	CATEGORY OF DIRECTORSHIP
1	Mr N Bala Baskar	S V Global Mill Limited	Independent Director



4. DISCLOSURE OF INTER-SE RELATIONSHIP OF DIRECTORS UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

Dr S Manivannan, Managing Director is the son of Dr D Senguttuvan's brother.

5. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

Dr T Senthil Kumar holds 1,286,936 equity shares of the Company

Mrs N Jeyanthei holds 50,100 equity shares of the Company

6. DATE OF BOARD MEETINGS:

Board Meetings were held during the financial year 2021-22 on the following dates: -

S. No.	NAME OF THE DIRECTOR	19-May-21	29-May-21	13-Aug-21	12-Nov-21	11-Feb-22
1	DR S CHANDRAKUMAR	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT
2	DR S MANIVANNAN	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT
3	DR D SENGUTTUVAN	NA	NA	NA	PRESENT	PRESENT
4	DR T SENTHIL KUMAR	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT
5	CA S CHENTHILKUMAR	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT
6	MR A KRISHNAMOORTHY	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT
7	MR N BALA BASKAR	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT
8	MRS N JEYANTHEI	PRESENT	PRESENT	PRESENT	PRESENT	PRESENT

7. LIST OF CORE SKILLS/EXPERIENCE/COMPETENCIES IDENTIFIED BY THE BOARD

The Board of Directors have identified the following Core Skills/ Practical Experience/ Special Knowledge/ Competencies as required in the context of its business(es) and sector(s) for it to function effectively:

1. Accounting
2. Finance
3. Law
4. Business Management
5. Operations
6. Risk Management
7. Fund Management
8. General Administration
9. Any other matter the special knowledge of, and practical experience in, which would be useful to the Company.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.



S. No.	Name of the Directors	Areas of Expertise
1	Dr S Chandrakumar	Accounting, Finance, Law, Business Management, Operations, Risk Management, Fund Management, General Administration
2	Dr S Manivannan	Accounting, Finance, Law, Business Management, Operations, Risk Management, Fund Management, General Administration
3	Dr D Senguttuvan	Accounting, Finance, Business Management, Operations, Management, General Administration
4	Dr T Senthil Kumar	Finance, Business Management, Operations, Fund Management, General Administration
5	CA S Chenthilkumar	Accounting, Finance, Law, Business Management, Fund Management, General Administration
6	Mr A Krishnamoorthy	Accounting, Finance, Law, Business Management, Operations, Risk Management, Fund Management, General Administration
7	Mr N Bala Baskar	Accounting, Finance, Business Management, Operations, General Administration
8	Mrs N Jeyanthei	General Administration Accounting, Finance, Law, Fund Management, General Administration

8. CONFIRMATION BY THE BOARD ON FULFILLMENT OF INDEPENDENCE OF THE INDEPENDENT DIRECTORS

The Board also hereby confirms that the Independent Directors of the Company fulfill all the conditions specified in the SEBI (LODR) Regulations 2015 and are Independent of the Management. Disclosures are submitted by the Independent Directors confirming their independence criteria which are subsequently confirmed by the board.

9. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee while considering the proposal for appointment of Independent Directors also considers the criteria of independence prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations 2015 and they are independent from the Management.

10. DETAILED REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR WHO RESIGNS BEFORE THE EXPIRY OF HIS/HER TENURE ALONG WITH A CONFIRMATION BY SUCH DIRECTOR THAT THERE ARE NO OTHER MATERIAL REASONS OTHER THAN THOSE PROVIDED.

Mr D Swaminathan, Independent Director has resigned on 30th November, 2021 before the expiry of his tenure due to personal reasons and has confirmed that there are no other material reasons.

11. CERTIFICATION FROM COMPANY SECRETARY IN PRACTICE

M. Alagar & Associates, Practicing Company Secretaries, has issued a certificate as required under the SEBI (LODR) Regulations 2015, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as **Annexure 5**.



12. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 177 of the Companies Act, 2013. The Audit Committee consists of the following Directors-

CA S Chentilkumar	Chairman
Mr A Krishnamoorthy	Member
Mr N Bala Baskar	Member
Dr S Manivannan	Member

During the financial year 2021-22 the Audit Committee met as per the details given hereunder -

S. NO.	NAME OF THE DIRECTOR	29-May-21	13-Aug-21	12-Nov-21	11-Feb-22
1	CA S CHENTHILKUMAR	PRESENT	PRESENT	PRESENT	PRESENT
2	MR A KRISHNAMOORTHY	PRESENT	PRESENT	PRESENT	PRESENT
3	MR N BALA BASKAR	PRESENT	PRESENT	PRESENT	PRESENT
4	DR S MANIVANNAN	PRESENT	PRESENT	PRESENT	PRESENT

The terms of reference of the Audit Committee are broadly as under

- i. Supervision of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- iii. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- iv. 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 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.
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. 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 utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;



- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of inter – corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. 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;
- xiv. Discussion with internal auditors of any significant findings and follow up thereon;
- xv. 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;
- xvi. 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;
- xvii. 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;
- xviii. To review the functioning of the Whistle Blower Mechanism;
- xix. Approval for appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
- xxi. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rs. 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.

13. NOMINATION AND REMUNERATION COMMITTEE

The constitution of Nomination and Remuneration Committee of the Company is as follows:

Mr A Krishnamoorthy	Chairman
CA S Chenthilkumar	Member
Mr N Bala Baskar	Member

During the financial year 2021-22 the Nomination and Remuneration Committee met on 19th May, 2021 and 13th August, 2021 and all the members were present.

Brief description of terms of reference

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- II. Formulation of criteria for evaluation of Independent Directors and the Board.



- III. Devising a policy on Board diversity.
- IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- V. Whether to extend or continue the terms of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- VI. Recommend to the board all remuneration, in whatever form, payable to senior management.

Remuneration policy

As required under Regulation 19(4) read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 178 (3) of the Companies Act, 2013 the Nomination and Remuneration Committee of the Company has formulated a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

SUMMARY OF THE REMUNERATION POLICY

1. INTRODUCTION:

The Nomination and Remuneration Committee and the Remuneration Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19(4) read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. GUIDING PRINCIPLES:

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management 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.

3. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

4. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

1. The remuneration / compensation / commission etc., to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.



3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed Pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses, club fees etc., shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

Remuneration to Non - Executive/Independent Director:

1. Remuneration/Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

2. Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration/Commission:

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

14. DETAILS OF REMUNERATION TO DIRECTORS:

The Non-executive directors do not draw any remuneration from the Company. The independent directors receive sitting fees for attending each meeting of the Board and Committees thereof. The Company pays sitting fees of Rs. 20,000/- to all the independent directors for attending each meeting of the Board and Rs. 10,000/- for Audit, Nomination & Remuneration and other Committee meetings thereof which is within the limits prescribed under the Companies Act, 2013.



During the financial year 2021-22, the sitting fees paid to independent directors are as under:

S. No.	NAME OF THE DIRECTOR	SITTING FEES PAID (In Rupees)	OTHERS	TOTAL (In Rupees)
1	CA S Chenthilkumar	Rs. 1,70,000	-	Rs. 1,70,000
2	Mr A Krishnamoorthy	Rs. 2,20,000	-	Rs. 2,20,000
3	Mr N Bala Baskar	Rs. 1,70,000	-	Rs. 1,70,000
4	Mrs N Jeyanthei	Rs. 1,10,000	-	Rs. 1,10,000
5	Mr Dandapani Swaminathan	Rs. 60,000	-	Rs. 60,000

There are no other particular pecuniary relationships for transactions of the non-executive directors' vis -à- vis of the Company. The Company pays remuneration by way of Salary, perquisites and allowances to the Managing Director and Executive Director.

Details of the remuneration and perquisites paid to the Whole-Time directors are as under:

S. No.	Name of Director	Salary Paid (in Rs.)	Stock Options	Performance linked incentives	Severance Fees	Others	Total
1	Dr S Chandrakumar	84,00,000/-	-	-	-	-	84,00,000/-
1	Dr S Manivannan	84,00,000/-	-	-	-	-	84,00,000/-
2	Dr D Senguttuvan	45,00,000/-	-	-	-	2,77,14,536/-	3,22,14,536/-

15. REVIEW OF THE POLICY:

The Nomination and Remuneration Committee shall review this Policy to ensure its effectiveness and also compliance with the Companies Act, 2013 and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. STAKEHOLDERS RELATIONSHIP COMMITTEE

The constitution of Stakeholders Relationship Committee is as follows:

Mr A Krishnamoorthy	Chairman
Dr S Chandrakumar	Member
Dr S Manivannan	Member

The Stakeholders Relationship Committee oversees redressal of Shareholders and Investor Complaints on matters such as transfer of shares, non-receipt of share certificates and non-receipt of Annual Reports, ensures expeditious transfer of shares and issue of duplicate share certificates and approves demat/remat/sub-division/consolidation/transposition/transmission of shares etc.

Ms Yasotha Benazir N is the Compliance officer of the Company since 13th March, 2021.



The total number of complaints received during the financial year 2021 - 2022 is categorized as under

Number of shareholders' complaints as on April 01, 2021	0
Number of shareholders' complaints received during the year	14
Number of Complaints resolved during the year	14
Number of Complaints not resolved during the year	0
Number of Complaints pending as on March 31, 2022	0

M/s Cameo Corporate Services Limited, Subramanian Building, 1, Club House Road, Chennai – 600002 is the Registrar and Share Transfer Agents of the Company since June, 2008.

The Stakeholders Relationship Committee met 4 times during the financial year 2021-22 on 29th May 2021, 13th August 2021, 12th November 2021 & 11th February 2022 wherein all the members were present and ensured that requests related to transfer/transmission/transposition of shares, non-receipt of annual report, issue of new/duplicate share certificates, etc., are promptly addressed to as required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The constitution of Corporate Social Responsibility Committee is as follows:

Mr A Krishnamoorthy	Chairman
Dr S Chandrakumar	Member
Dr S Manivannan	Member

Brief description of terms of reference

- Formulate and recommend to the Board, an Annual Action Plan in pursuance to its CSR Policy.
- Recommend the amount of expenditure to be incurred on the activities referred to be undertaken by the Company.
- Monitor the utilization of fund based on the report produced by the Chief Financial officer of the Company from time to time.
- Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

During the financial year 2021-22 the Corporate Social Responsibility Committee met on 12th August, 2021 and all the members were present.

18. BORROWING AND BANKING COMMITTEE

The constitution of Borrowing and Banking Committee is as follows

Dr S Chandrakumar	Member
Dr S Manivannan	Member
Dr D Senguttuvan	Member

Brief description of terms of reference

- Exercise borrowing powers not exceeding Rs. 25,00,000/- (Rupees Twenty-Five Lakhs only)
- Grant for opening and closing of bank accounts, authorizing persons to sign cheques, documents and any other document for the operation of all present and future bank accounts of the Company.



19. SUBSIDIARY COMPANIES:

The Company has no subsidiary Companies

20. ANNUAL GENERAL MEETINGS

i. Location, date and time for the last three Annual General Meetings held:

YEAR	DATE	VENUE	TIME
2020 – 2021	27.09.2021	through Video Conferencing (VC)/Other Audio Visual Means (“OAVM”)	10.30 AM
2019 – 2020	28.09.2020	through Video Conferencing (VC)/Other Audio Visual Means (“OAVM”)	10.30 AM
2018 – 2019	26.09.2019	Hotel Sangam, Cantonment, Trichy – 620 001	10.30 AM

ii. Extra ordinary General Meeting

No Extra Ordinary General Meeting of the members was held during the year.

iii. Postal Ballot

No Resolution has been passed through Postal Ballot during the year 2021-22.

iv. Special Resolutions passed in the last three Annual General Meetings

38th Annual General Meeting held for the year 2020-21 on 27th September 2021

- Special Resolution was passed for the re-appointment of Dr. S. Chandrakumar (DIN 01867847) as Executive Chairman (Whole-Time).
- Special Resolution was passed for the re-appointment of Dr S Manivannan (DIN: 00910804) as Managing Director of the Company.
- Special Resolution was passed for the appointment of Dr D Senguttuvan (DIN: 01867900) as Executive Director of the Company.

37th Annual General Meeting held for the year 2019-20 on 28th September 2020

- To approve limits of borrowing under Section 180 (1) (c) and 180 (1) (a) of the Companies Act, 2013
- To approve limits of investment(s), guarantee(s) and security (ies) under Section 186 of the Companies Act, 2013

36th Annual General Meeting held for the year 2018-19 on 26th September 2019

- To approve the continuation of independent directorship of Mr. A. Krishnamoorthy (DIN: 00386122) who would be attaining 75 years of age

21. MEETING OF INDEPENDENT DIRECTORS:

The Company's Independent Directors are required to meet atleast once in every Financial Year in compliance with the provisions of the Companies Act, 2013. Such meetings are conducted formally to enable Independent Directors to discuss the matters pertaining to the Company's Affairs and to put forth their views. Further, Independent Directors also review the performance of the Non-Independent Directors, Chairman (after taking into account the views of Executive and Non-Executive Directors of the Company) and Board as a whole and also the access, quality, quantity and timeliness of the flow of information between the Company's management and the Board.



During the Financial Year under review the Independent Directors met on 15th March, 2022 and all the Independent Directors attended the Meeting without the presence of the non-independent directors and the members of the management.

22. DISCLOSURES

A. RELATED-PARTY TRANSACTIONS

There have been no materially significant related-party transactions, pecuniary transactions or relationships between your Company and the Directors, the Management or related parties except for those disclosed in the financial statements for the year ended March 31, 2022.

The policy on dealing with Related Party Transactions is posted on the website of the Company which may be accessed at the following web link: <http://www.kauveryhospital.com/investors#>.

B. DETAILS OF NON-COMPLIANCE

There is no stricture or penalties have been imposed by any Stock Exchange or Securities and Exchange Board of India (SEBI) or any statutory authority on any matter related to the capital markets during the last three years.

C. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has formulated and adopted a Vigil Mechanism as per Section 177 of the Companies Act, 2013 and Revised Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has established the necessary mechanism for employees to express to the management, their concerns and suggestions about the deficiencies in the systems and procedures or violation of any code of conduct or general ethics.

The details of establishment of Whistle Blower Policy is posted on the Company's website and the same may be accessed at the following web link: <http://www.kauveryhospital.com/investors#>

There has been no personnel denied the access to the Audit Committee.

D. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS

The Company has complied with all applicable mandatory requirements in terms of Regulations of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Company has also adopted the non-mandatory requirements to the extent and in the manner as stated elsewhere in the report.

E. RECONCILIATION OF SHARE CAPITAL AUDIT

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchange within the prescribed time limit.

As on 31st March, 2022 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

F. MEANS OF COMMUNICATIONS

The company is publishing Unaudited quarterly/Audited annual results in English and Tamil Newspapers promptly besides communicating the same to BSE Limited (BSE) through BSE Listing Centre where the shares of the company are at present listed, immediately after each of the Board Meetings in which resolutions for adopting the accounts are passed. Besides, such financial results are also published in the company's website.

The Annual Report, shareholding pattern and other corporate information are published in the website of the Company for the information of the shareholders at <http://www.kauveryhospital.com/investors#>



G. THE DISTRIBUTION PATTERN OF THE SHAREHOLDINGS AS ON 31.03.2022 IS AS FOLLOWS:

Pattern of Holding Equity Shares	No. of Share Holders	No. of Shares	% of Holding to Total No. of Shares
1 – 5000	78654	13955998	8.5574
5001 – 10000	207	1480596	0.9078
10001 – 20000	94	1305838	0.8007
20001 – 30000	38	945357	0.5796
30001 – 40000	11	383685	0.2352
40001 – 50000	5	234120	0.1435
50001 – 100000	19	1373496	0.8421
Above 100000	39	143405910	87.9332
TOTAL	79067	163085000	100.00

H. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting Date, Time and Venue of the 39th Annual General Meeting

The Date, Time and Venue of the 39th Annual General Meeting shall be held on Tuesday, the 27th day of September, 2022, at 10:30 A.M. through Video Conferencing (VC) / Other Audio Visual Means (“OAVM”).

(ii) Financial Year

The Company’s financial year begins on April, 1 and ends on March, 31.

Tentative Financial Calendar for the year 2022-23 (as amended from time to time)

Financial year	April 1, 2022 to March 31, 2023
First quarter results	On or before August 14, 2022
Second quarter results	On or before November 14, 2022
Third quarter results	On or before February 14, 2023
Fourth quarter and Annual Results	On or before May 30, 2023

(iii) Date of book closure

The books shall be from 21st September, 2022 to 27th September, 2022 (both days inclusive).

(iv) Listing of Shares on Stock Exchange and Stock Code

The equity shares of the company are listed with BSE Limited, P J Towers, Dalal Street, Fort, Mumbai – 400001. Stock Symbol: KMCSHIL; Scrip Code: 524520.

The Company has paid the Annual Listing fee for the year 2021-22.

(v) Market Price data and performance in comparison to broad based indices of BSE Sensex

The closing market price of equity shares on March 31, 2022 (last trading day of the year) was Rs. 55.65 on BSE.

Monthly share price movement during the financial year 2021-22.

<https://www.bseindia.com/markets/equity/EQReports/StockPrcHistori.aspx?expandable=7&scripcode=524520&flag=sp&Submit=G>

<https://www.bseindia.com/indices/IndexArchiveData.html>



Month	KMC SPECIALITY HOSPITALS (INDIA) LIMITED			BSE LTD INDEX	
	High Price	Low Price	No. of Shares traded	High Price	Low Price
April-21	40.45	21.65	53,65,421	50,375.77	47,204.50
May-21	47.45	35.00	55,06,232	52,013.22	48,028.07
June-21	41.60	35.15	21,39,673	53,126.73	51,450.58
July-21	43.50	35.00	25,77,505	53,290.81	51,802.73
August-21	61.50	33.75	88,66,811	57,625.26	52,804.08
September-21	91.05	55.05	91,70,488	60,412.32	57,263.90
October-21	75.00	60.35	20,70,548	62,245.43	58,551.14
November-21	69.60	61.20	11,22,933	61,036.56	56,382.93
December-21	73.55	59.30	13,88,851	59,203.37	55,132.68
January-22	81.05	62.10	24,93,594	61,475.15	56,409.63
February-22	69.00	54.05	10,46,546	59,618.51	54,383.20
March-22	62.80	53.75	10,30,016	58,890.92	52,260.82

(vi) Dematerialization of shares and liquidity

Shares comprising of 93.01% of the Paid-up Capital have been dematerialized as on 31.03.2022

(vii) Address of Registrar and Transfer Agents

M/s Cameo Corporate Services Limited
 No 1, Subramanian Building, Club House Road, Chennai - 600 002
 Phone - 044-28460390
 Email - investor@cameoindia.com


23. INFORMATION TO SHAREHOLDERS:

It is brought to the kind notice of the shareholders that SEBI vide its Circular dated January 25, 2022, had specified that the listed companies can issue securities only in dematerialized form while processing any request for Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal / Exchange of securities certificate; Endorsement; Sub-division / Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission; Transposition.

Further, pursuant to SEBI circular dated November 03, 2021, the members holding securities in physical form shall furnish the details of PAN, KYC & Nomination, which have not been updated in the database of the Registrar and Transfer Agent. Any folios wherein any of the PAN, KYC or Nomination details are not available with the RTA on or after April 01, 2023, shall be frozen by the RTA.

We therefore advise the shareholders to take immediate steps for dematerializing their shareholding in the company. Additionally, holding shares in dematerialized form offers host of benefits like enhanced security, ease of handling, faster transfers, exemption from stamp duty, eliminating bad deliveries. In view of the above, in order to be able to deal in the securities hassle-free, the shareholders are requested to take necessary steps for dematerializing their shares at an early date.

The Board has delegated the authority for approving transfer, transmission, etc. to the Stakeholders Relationship Committee. The Company's shares are traded under compulsory dematerialized mode. A certificate of compliance with the



share transfer formalities as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchange.

The shareholders are requested to contact the Registrar and Share Transfer Agents for any queries regarding the procedures for issue of new share certificates, dematerialization, transfers, nominations and address updations.

24. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company does not have any Outstanding GDRs/ ADRs/ Warrants or any other Convertible instruments and hence this provision is not applicable during the financial year.

25. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company does not have any foreign exchange transactions and hedging activities and hence this provision is not applicable during the financial year.

26. WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED

The Company does not have the material subsidiary and hence this provision is not applicable during the financial year.

27. PLANT LOCATIONS

The Company is a healthcare industry and having only one location at its registered office at No. 6, Royal Road, Cantonment, Trichy -620001.

28. CODE OF CONDUCT & INSIDER TRADING CODE

The Code of Conduct for the Management / Directors of the company has been adopted which applies to all the Board Members and Senior Management of the Company. The Board Members, Senior Management personnel and all designated persons have affirmed their compliance on an annual basis and their confirmations have been received in this regard. As required under Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a declaration to this effect signed by the Managing Director & CEO is provided elsewhere in the annual report. The Code of Conduct policy is available on the Company's website: www.kauveryhospital.com/investors#.

The Company also has in place a prevention of Insider Trading Code based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Directors and Designated Employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

The Company maintains a Structured Digital Database (SDD) called "VIGILANT" software provided by Cameo Corporate Services Limited wherein the details of all the designated persons are being captured and in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

29. WEB LINK WHERE DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED

The familiarization programme for the Independent Directors can be accessed in the web link: <http://www.kauveryhospital.com/investors#>



30. ADDRESS FOR CORRESPONDENCE

Registered Office	No. 6, Royal Road, Cantonment, Trichy – 620001 Ph: 0431 4077777 Fax: 0431 2415402
Website address	www.kauveryhospital.com
E-mail	corporatecompliance@kauveryhospital.com

31. LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD

The Company has obtained the revision in credit rating for its bank facilities of Term Loan of Rs. 60 Crores and the proposed Term Loan of Rs. 37.40 Crores. The credit rating obtained is “**BWR BBB+/Stable Reaffirmed**” and “**BWR BBB+/Stable Assigned**” respectively from Brickwork Ratings India Private Limited on 3rd December, 2021.

32. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A)

The Company has not allotted any securities under preferential allotment or qualified institutions placement as specified under regulation 32 (7A) and this provision is not applicable during the financial year.

33. WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, IN THE RELEVANT FINANCIAL YEAR, THE SAME TO BE DISCLOSED ALONG WITH REASONS THEREOF

There is no such recommendation which has not accepted by the Board received from any committee of the Company during the financial year.

34. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART

Details relating to total fees paid to the statutory auditors are given in notes to financial statements of the Company.

35. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

- | | | |
|---|----|---|
| a. Number of complaints filed during the financial year | -- | 0 |
| b. Number of complaints disposed of during the financial year | -- | 0 |
| c. Number of complaints pending as on end of the financial year | -- | 0 |

36. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB- PARAS (2) TO (10) ABOVE, WITH REASONS THEREOF SHALL BE DISCLOSED.

All the required provisions are complied and there is no such non-compliance as required under Sub-Para (2) to (10) of Corporate Governance requirements under SEBI (LODR) Regulations, 2015.



37. THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED.

The Company is periodically reporting the Internal Audit Report to Audit Committee of the Company.

The Company has not adopted the other discretionary requirements as specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015.

38. THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 SHALL BE MADE IN THE SECTION ON CORPORATE GOVERNANCE OF THE ANNUAL REPORT.

The disclosure of the Corporate Governance requirements specified in Regulation 17 to 27 as mentioned above and Clauses (B) To (I) of sub-regulation (2) of Regulation 46 to the extent applicable to the company has been complied with.

39. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

This provision is not applicable to the company.

For and on behalf of the Board of Directors

Place: Chennai

Date: 30th May, 2022

sd/-

Dr S Chandrakumar

DIN: 01867847

Executive Chairman (Whole-Time)

sd/-

Dr S Manivannan

DIN: 00910804

Managing Director



ANNEXURE - 5

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]

To

The Members

KMC Speciality Hospitals (India) Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KMC Speciality Hospitals (India) Limited** having CIN **L85110TN1982PLC009781** and having registered office at No. 6 Royal Road Cantonment, Trichy - 620001 (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 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 <http://www.mca.gov.in/>) as considered necessary and explanations furnished to 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 March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company** by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

S.No	DIN	Name	Designation	Date of appointment/ Re-appointment
1	01867847	Mr. Sundararaj Chandrakumar	Executive Chairman - Whole-time Director	30/05/2011 (Re-appointment 29/09/2021)
2	00910804	Mr. Selvaraj Manivannan	Managing Director	30/05/2008 (Re-appointment 01/10/2021)
3	01867900	Dr D Senguttuvan	Whole-time Director	13/08/2021
4	01742558	Mr. Thirunavukkarasu Senthil Kumar	Director	30/05/2008
5	02621693	Mr. Chenthilkumar Sathasivam	Independent Director	26/03/2009 (Re-appointment 01/04/2019)
6	07143462	Mrs. Narayanasami Jeyanthei	Independent Director	31/03/2015 (Re-appointment 30/08/2018)
7	00386122	Mr. Krishnamoorthy Arunachalam	Independent Director	30/05/2008 (Re-appointment 01/04/2019)
8	00469656	Mr. Natarajan Bala Baskar	Independent Director	14/08/2013 (Re-appointment 01/04/2019)

Ensuring the eligibility of 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 **M. Alagar & Associates**
(Practising Company Secretaries)
Peer Review Certificate No:1707/2022

sd/-

M. Alagar

Managing Partner

FCS No: 7488,

CoP No: 8196

UDIN: F0007488D000368750

Place: Chennai

Date: May 23, 2022



Business Responsibility Report



BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L85110TN1982PLC009781
2. Name of the Company : KMC Speciality Hospitals (India) Limited
3. Registered address : No. 6, Royal Road, Cantonment, Trichy - 620001
4. Website : www.kauveryhospital.com
5. E-mail id : corporatecompliance@kauveryhospital.com
6. Financial Year reported : April 1,2021 to March 31, 2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise):
The Company is in the healthcare sector running, operating, maintaining multi-specialty hospital and applicable NIC Code is 86100.
8. List three key products/services that the Company manufactures/provides (as in balance sheet):
The Company provides only Healthcare Services.
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5): Nil
 - (b) Number of National Locations: 1
10. Markets served by the Company –Local/State/National/International: The Company has its hospital in Trichy, in the state of Tamil Nadu.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : Rs. 16,30,85,000
2. Total Turnover (INR) : Rs. 1,36,07,28,000
3. Total profit after taxes (INR) : Rs. 23,72,58,000
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):
Rs. 23,00,0000 spent on CSR which is 2% of the average net profit for the previous Three (3) FY (2018-19, 2019-20 and 2020-21)
5. List of activities in which expenditure in 4 above has been incurred:
The CSR Contribution of Rs. 23,00,000/- has been spent for the following activity:
 - (a) Periodical Oncology
 - (b) Training Expenditure for promoting Sports.

A brief about the CSR contribution has been given as Annexure- 3 of the Boards' Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies? **No**
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) - **Not applicable**



3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]- **The Company has numerous suppliers, distributors, etc. who, though not mandated to participate in the BR initiatives of the Company, are encouraged to adopt and practice the concept of being a responsible business.**

SECTION D: BR INFORMATION

1. Details of Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN Number	Name	Designation
01867847	Dr S Chandrakumar	Executive Chairman (Whole-Time)
00910804	Dr S Manivannan	Managing Director
01867900	Dr D Senguttuvan	Executive Director – Unit & Business Head

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00910804
2	Name	Dr S Manivannan
3	Designation	Managing Director
4	Telephone number	0431- 4022525
5	e-mail id	corporatecompliance@kauveryhospital.com

2. Principle-wise BR Policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the wellbeing of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect, and make efforts to restore the environment

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 : Businesses should support inclusive growth and equitable development

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



(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		<p>KMC Specialty Hospitals (India) Limited confirms the following standards:</p> <ol style="list-style-type: none"> 1) Quality of healthcare guidelines issued by NABH 2) NVG Guidelines issued by the Ministry of Corporate Affairs, GOI 3) Environment and Social Guidelines issued by IFC 4) Environment Guidelines as per ISO 14001 and Ministry of Environment and Forest 5) National Neonatal Forum guidelines issued by National Neonatal Forum 								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.kauveryhospital.com/investor#								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	All the policies are formulated and reviewed with the various stakeholders of the Company.								

Note: The company does not advocate influencing the public & regulatory policies, hence no policy is proposed.



- (b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options): **Not Applicable**

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 Months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

BR performance is reviewed as a part of the ongoing business review by the Management.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR Report is a part of this Annual Report. The hyperlink for viewing the report is <http://www.kauveryhospital.com/investors#>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The Company has laid down its Code of Conduct (CoC), which is applicable to Board members and all functional heads (Senior management). The objective is to maintain highest standards of Corporate Governance practices and uphold ethical standards of integrity and probity and to establish and follow best practices in Board governance in order to fulfill its fiduciary obligation to the Company.

The Company adheres to all applicable statutes in letter and spirit and endeavour to adopt best practices that go beyond adherence to statutory frameworks, to bring transparency and accountability in all facets of operations. In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has formulated an internal procedures for the Prevention of Insider Trading in dealing with the securities of the Company. Besides strengthening internal controls, we also have a robust vigilance mechanism which ensures curbing of corrupt practices that may arise in the course of business and for which there is zero tolerance. In addition to Code of Conduct, the Company has a Whistle blower policy (uploaded on the company's website, the link of which is <http://www.kauveryhospital.com/investors#>) in line with the requirements of the Companies Act, 2013 (Section 177). This policy enables all employees to report to the Company's Management, concerns of unethical behaviour, actual or suspected, fraud or violation of Company's Code of Conduct, without fear of reprisal or victimization.



2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company and its management ensure best practices in addressing and resolving any complaints that the stakeholders might have in relation with the Company.

The Company has not received any complaints in the past financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - (a) Road Safety Awareness Programme was conducted periodically to create awareness among public to prevent the accident.
 - (b) Various covid related awareness programmes and videos were conducted/prepared.
 - (c) First Aid Awareness Programme was conducted to create awareness among public during emergency situation.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The services and programmes conducted by the Company were initiated by the Company as a social initiative and hence the above points shall not be applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence, we procure the products and services from empaneled vendors who are governed by various statutes.

This procedure ensures energy efficiency and resource consumption to an optimum level, while meeting the requirement.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
 - (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence, we procure the products and services from empaneled vendors who are governed by various statutes.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. The e-wastes, lead wastes, and metal scraps generated at the facility are disposed through authorized recyclers/ dismantlers. Entire quantity of e-wastes and lead wastes generated are handed over to TNPCB authorized vendor.



Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

Total = 814

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

143

3. Please indicate the Number of permanent women employees.

607

4. Please indicate the Number of permanent employees with disabilities

3

5. Do you have an employee association that is recognized by management?

No

6. What percentage of your permanent employees is members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

- (a) Permanent Employees - 50%
- (b) Permanent Women Employees - 40%
- (c) Casual/Temporary/Contractual Employees - 80%
- (d) Employees with Disabilities - 100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes. The Company is committed to equal opportunities in its employment practices

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

It has been the continued effort under Corporate Social Responsibility to identify vulnerable and marginalized populations. Before initiating programmes, we conduct baseline surveys wherein we understand demographics, socio-economic profile as well as healthcare indices. This helps us address gaps in services for identified populations.



Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Policy covers the Company and it also extends to the employees/ workers hired from outsourced agencies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures /Suppliers/Contractors/NGOs/others.

The Policy covers the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, as part of the strategy, Company has adopted environment initiatives like resource conservation audits, sourcing energy from renewable sources and energy conservation projects to combat the effects of Climate Change.

3. Does the company identify and assess potential environmental risks? Y/N

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.Y/N. If yes, please give hyperlink for web page etc.

The company has boiler operated by solar energy.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The company is a member of National Human Resources- Trichy Chapter, BB Forum, CII & Madras Management Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if “yes”, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No



Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes /initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has rolled out several social initiatives including Corporate Social Responsibility activities in fields of healthcare. The healthcare initiatives are mainly taken up in rural/semirural areas or places where there is lack of availability of adequate healthcare services. The company have also conducted various medical checkup and health awareness programme. The company has spent Rs. 23,00,000 Lakhs in the year 2021-22 towards CSR activities as per the Companies Act, 2013.

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company undertakes the projects, both through in-house team and external NGO/other organizations.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company has contributed for CSR Activities. The Company has spent Rs. 23,00,000 lakhs in the year 2021-22 towards CSR activities and the details of the projects undertaken are provided elsewhere in the annual report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms and follow-up, field visits, telephonic and email communications are regularly carried out.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Company is a healthcare service provider and does not have any products. Hence this question is not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company collects patients' feedback (OP, IP and health check-up patients) through physical feedback forms. Feedback is also collected through both in person and in the website and reviewed by the Company. Post discharge call after 72 hours of discharge is also practiced for all the patients.



Nursing shift handover

A very critical process as the new shift team is explained in detail about the care and medication needed for each patient.

**Independent
Auditor's
Report**



INDEPENDENT AUDITOR'S REPORT

To the Members of KMC Speciality Hospitals (India) Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **KMC Speciality Hospitals (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Board's report, Corporate Governance Report, Management Discussion and Analysis and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.
- 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 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.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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 financial 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 system 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.
- Conclude on the appropriateness of management'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) to evaluate 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters 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 by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts which were 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, 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 person or entity, 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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities (“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) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No. 008072S)

Ananthi Amarnath
(Partner)
(Membership No. 209252)
(Unique Document Identification Number: 22209252AJWIDC1147)

Place: Chennai

Date: 30 May 2022



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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 **KMC Speciality Hospitals (India) Limited** (“the Company”) as of 31 March 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 31 March 2022, based on the criteria for internal financial control over financial reporting 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
(Partner)
(Membership No. 209252)
(Unique Document Identification Number: 22209252AJWIDC1147)

Place: Chennai

Date: 30 May 2022



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in progress, investment property and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, so to cover biomedical equipment and surgical instruments every year and all other items once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment, capital work-in progress and investment property) are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) 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. In our opinion and according to the information and explanations given to us, 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 of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.
- (iii) The Company has provided guarantee to companies during the year, in respect of which:
 - (a) The Company has not made any investments in, provided 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.

The Company has stood guarantee during the year and details of which are given below:


Rs. in Lakhs

Particulars	Guarantee
A Aggregate amount of loans granted/provided during the year	-
- Others	3,180.42
B. Balance outstanding as at balance sheet date in respect of above cases	-
- Others	6,456.39

- (b) The guarantees provided during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) The Company has not granted any advances in the nature of loans. Hence, reporting under clause (iii)(c to f) of the Order is not applicable
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, 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 cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 March 2022.
- (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) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements 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) and (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (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) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, 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) As represented to us by the Management, 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) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 March 2022 under audit, in determining the nature, timings and extent of our audit procedures.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company
- (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) and (c) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) 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, other information accompanying the financial statements 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The Company does not have any requirement to prepare consolidated Financial Statements and hence reporting under clause (xxi) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
(Partner)
(Membership No. 209252)
(Unique Document Identification Number: 22209252AJWIDC1147)

Place: Chennai

Date: 30 May 2022

Sending a patient home

This is the happiest moment for any hospital team as we send off a recovered patient home after explaining the discharge summary



Balance Sheet



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Balance sheet as at March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

ASSETS	Note	As at March 31, 2022	As at March 31, 2021
Non-current assets			
Property, plant and equipment	4	7,253.06	7,116.31
Capital work-in-progress	4	564.36	161.35
Right-of-Use-Assets	5	167.92	196.98
Investment property	6	40.43	40.43
Other Intangible assets	7	80.36	49.93
Financial assets			
Investments	8	0.38	0.38
Other financial assets	10	108.28	75.65
Income tax assets (net)	12	236.84	235.56
Other non-current assets	13	176.97	9.71
		8,628.60	7,886.30
Current assets			
Inventories	14	187.23	175.23
Financial assets			
Trade receivables	15	353.79	255.45
Cash and cash equivalents	16	166.68	212.78
Bank balances other than above	17	3,149.38	1,557.07
Loans	9	12.72	11.78
Other financial assets	10	262.99	287.12
Other current assets	13	114.96	113.32
		4,247.75	2,612.75
TOTAL		12,876.35	10,499.05
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,630.85	1,630.85
Other equity	19	7,049.46	4,701.75
		8,680.31	6,332.60
Non-current Liabilities			
Financial Liabilities			
Borrowings	22	1,960.60	2,572.11
Lease Liabilities	23	154.48	183.93
Provisions	25	113.91	84.05
Deferred tax liabilities (Net)	11	5.97	57.57
Other Non current liabilities	28	10.52	12.39
		2,245.48	2,910.05
Current liabilities			
Financial Liabilities			
Borrowings	22	727.41	122.08
Lease Liabilities	23	35.77	25.97
Trade payables			
- Total outstanding dues of micro and small enterprises	27	5.72	9.68
- Total outstanding dues of creditors other than micro and small enterprises	27	534.82	511.13
-Other financial liabilities	24	209.45	196.95
Provisions	25	208.18	159.83
Other current liabilities	28	229.21	230.76
		1,950.56	1,256.40
TOTAL		12,876.35	10,499.05

Significant accounting policies 3

The notes referred to above form an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Ananthi Amarnath

Partner

Place : Chennai

Date : May 30, 2022

for and on behalf of the board of directors of

KMC Speciality Hospitals (India) Limited

CIN: L85110TN1982PLC009781

Dr S Manivannan

Managing Director

DIN : 00910804

K. Anand Babu

Chief financial officer

Place : Chennai

Date : May 30, 2022

Dr S Chandrakumar

Executive Chairman (Whole-Time)

DIN : 01867847

Yasotha Benazir N

Company Secretary



**Statement of
profit and
loss**



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Statement of profit and loss for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	29	13,607.28	10,263.72
Other income	30	214.69	192.64
Total Income		13,821.97	10,456.36
Expenses			
Cost of materials consumed	31	266.71	268.43
Purchases of Stock-in-Trade	32	1,790.73	1,345.79
Changes in inventories of Stock-in-trade	33	(1.64)	18.18
Employee benefits expense	34	2,712.90	2,151.12
Finance costs	35	69.58	95.22
Depreciation and amortisation expense	36	652.70	616.59
Other expenses	37	5,121.18	4,156.65
		10,612.16	8,651.98
Profit before tax		3,209.81	1,804.38
Tax expense			
Current tax	11	841.43	566.48
Income tax -Earlier Years		39.03	-
Deferred tax		(43.23)	(40.04)
Total tax expense		837.23	526.44
Profit after tax		2,372.58	1,277.94
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss	11		
Re-measurement of defined benefit plans		(33.23)	(15.58)
Income tax effect		8.36	4.54
Total other comprehensive Loss		(24.87)	(11.04)
Total comprehensive income		2,347.71	1,266.90
Earnings per share			
Basic and Diluted	21	1.45	0.78
Significant accounting policies	3		

The notes referred to above form an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2022

for and on behalf of the board of directors of
KMC Speciality Hospitals (India) Limited
CIN: L85110TN1982PLC009781

Dr S Manivannan
Managing Director
DIN : 00910804

Dr S Chandrakumar
Executive Chairman
(Whole-Time)
DIN : 01867847

K. Anand Babu
Chief financial officer

Yasotha Benazir N
Company Secretary

Place : Chennai
Date : May 30, 2022



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Statement of changes in equity for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

	Note	Amount	
a. Equity share capital			
Balance as at April 1, 2020			1,630.85
Changes in Equity share capital due to prior period errors			-
Restated balances at the beginning of the previous reporting period			-
Changes in equity share capital during year ended March 31, 2021	18		-
Balance as at March 31, 2021			1,630.85
Changes in Equity share capital due to prior period errors			-
Restated balances at the beginning of the Current reporting period			-
Changes in equity share capital during the Year ended March 31, 2022	18		-
Balance as at March 31, 2022			1,630.85
b. Other equity			
Attributable to the owners of the Company			
Retained earnings			
		Reserves and Surplus	Remeasurement of defined benefit plans*
			Total
Balance as at April 1, 2020		3,467.15	(32.30)
Total comprehensive income for the year ended March 31, 2021			
Profit for the year		1,277.94	-
Other comprehensive income (net of tax)		-	(11.04)
Total comprehensive income		1,277.94	(11.04)
Balance as at March 31, 2021		4,745.09	(43.34)
Profit for the year		2,372.58	-
Other comprehensive income (net of tax)		-	(24.87)
Total comprehensive income		2,372.58	(24.87)
Balance as at March 31, 2022		7,117.67	(68.21)

* Items that will not be reclassified to profit and loss

The notes referred to above form an integral part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2022

for and on behalf of the board of directors of
KMC Speciality Hospitals (India) Limited
CIN: L85110TN1982PLC009781

Dr S Manivannan **Dr S Chandrakumar**
Managing Director Executive Chairman
DIN : 00910804 (Whole-Time)
DIN : 01867847

K. Anand Babu **Yasotha Benazir N**
Chief financial officer Company Secretary

Place : Chennai
Date : May 30, 2022



Celebrating patient birthdays

To cheer our patients on their birthday, our team puts in a special effort to organize a small celebration with a cake cutting ceremony.

Cash Flow Statement



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Cash flow statement for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flows from operating activities			
Profit before tax for the year		2,372.58	1,277.94
Adjustments:			
Depreciation and amortisation	36	652.70	616.59
Income tax expense	11	837.23	526.44
Bad debts written off	37	-	62.05
Provision for loss allowance	37	45.31	-
Finance costs	35	69.58	95.22
Interest income from banks	30	(121.08)	(45.84)
Interest income from others	30	(3.46)	(43.33)
(Profit) on sale of property, plant and equipment	30	(2.90)	(1.89)
Operating cash flow before working capital changes		3,849.96	2,487.19
(Increase) / Decrease in inventories	14	(12.00)	47.07
(Increase) in trade receivables	15	(143.65)	(107.54)
Increase in Trade Payable	27	19.74	85.91
Decrease / (Increase) in other financial assets and other assets-Current	9, 10, 13	51.26	(177.13)
(Increase)/Decrease in other financial assets and other assets-Non-current	9, 10, 13	(20.20)	454.71
Increase in liabilities and provisions		81.87	29.94
Cash generated from operating activities		3,826.98	2,820.15
Income tax paid (net)		(915.46)	(260.10)
Net cash generated from operating activities (A)		2,911.52	2,560.05
B Cash flow from investing activities			
Acquisition of property, plant and equipment	4	(1,347.51)	(4,085.22)
Acquisition of non-current investment	8	-	(0.10)
Proceeds from sale of property, plant and equipment	4	6.55	3.67
Loan repayment received	9	-	411.21
Bank deposits (having original maturity of more than three months)	17	(1,604.75)	(669.95)
Interest income from banks	30	91.39	39.75
Interest income from others	30	3.46	43.33
Net cash (used in) investing activities (B)		(2,850.86)	(4,257.32)
C Cash flow from financing activities			
Proceeds from loans and borrowings	22	134.49	2,296.00
Payment of Lease Liabilities	23	(50.58)	(45.17)
Repayment of loans and borrowings	23	(140.67)	(376.66)
Interest paid	35	(50.00)	(76.09)
Net cash (used in) / from financing activities (C)		(106.76)	1,798.09
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(46.10)	100.82
Cash and cash equivalents at the beginning of the year		212.78	111.97
Cash and cash equivalents at the end of the year		166.68	212.78
	Note	As at March 31, 2022	As at March 31, 2021
Components of Cash and cash equivalents			
Cash on hand	16	14.98	15.42
Balances with banks - on current accounts		151.70	197.36
		166.68	212.78

The notes referred to above form an integral part of the financial statements
In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 30, 2022

for and on behalf of the board of directors of
KMC Speciality Hospitals (India) Limited
CIN: L85110TN1982PLC009781

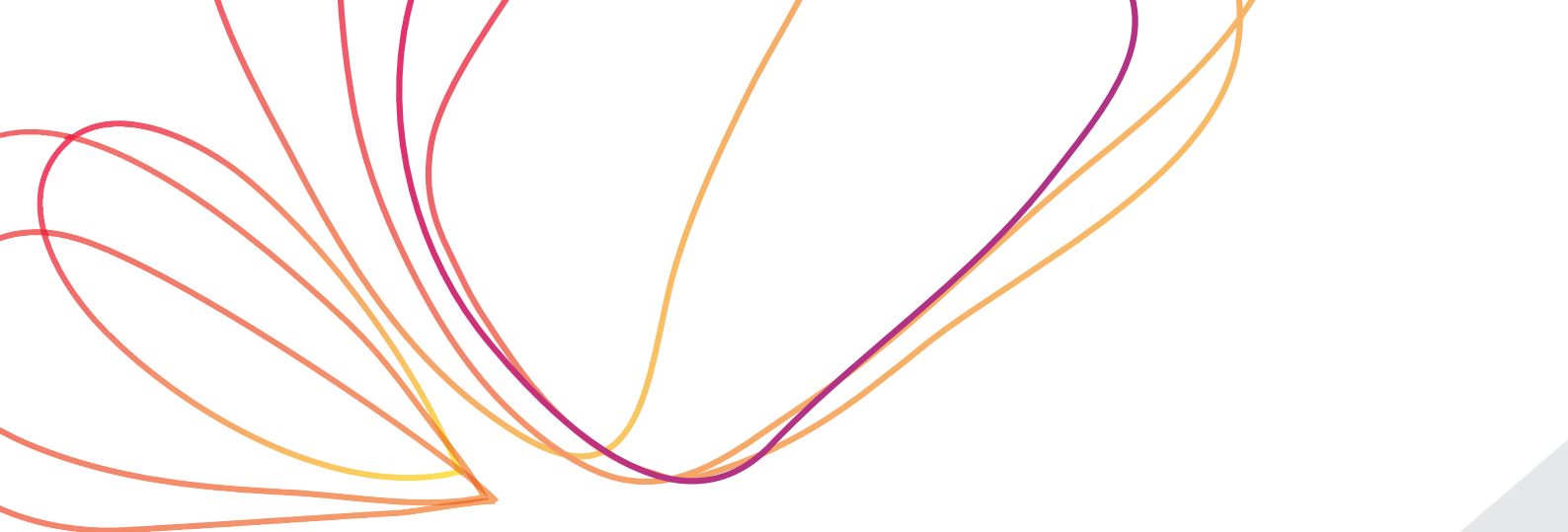
Dr S Manivannan
Managing Director
DIN : 00910804

K. Anand Babu
Chief financial officer

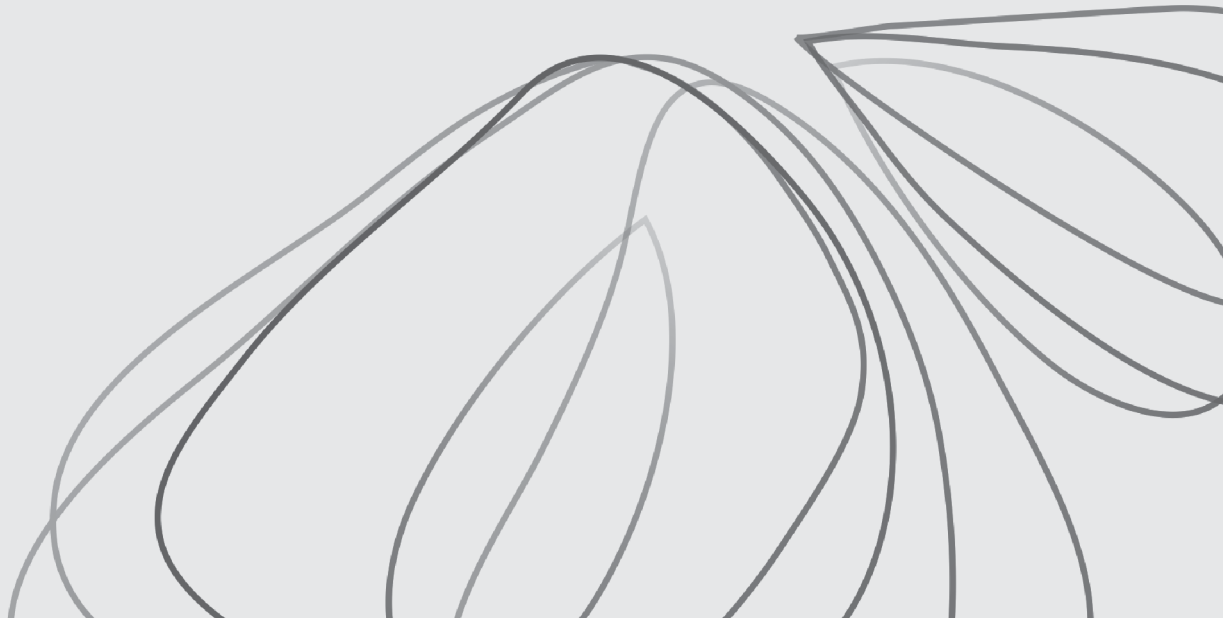
Place : Chennai
Date : May 30, 2022

Dr S Chandrakumar
Executive Chairman (Whole-Time)
DIN : 01867847

Yasotha Benazir N
Company Secretary



kauvery
hospital



Celebrating life

No matter how often we do it, holding a new born and announcing his / her birth to the waiting family is always an emotional moment for our team.





**Notes to the
Financial
Statements**



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

1. Company information

KMC Speciality Hospitals (India) Limited (“the Company”) was originally incorporated as Advanced Medical Care Private Limited on December 31, 1982 under the Companies Act, 1956 and was converted into a Public Limited Company on July 15, 1988. The name of the Company was changed to Seahorse Hospitals Limited on March 21, 1995 and to its current name with effect from October 24, 2008. The Company is a super speciality hospital based in Trichy, belonging to the Kauvery Hospitals group. The Company is primarily engaged in the business of rendering medical and healthcare services.

2. Basis of Preparation

A. Application of new and revised Ind AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as Amended) till the financial statements are authorised have been considered in preparing these financial statements. There is no other Indian Accounting Standards that has been issued as of that date but was not mandatorily effective.

B. Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

(i) Application of new and revised Ind AS

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendments Rules, 2022, vide Notification No.G.S.R 255(E), as below.

(i) Ind AS 16 – Property Plant and Equipment

The amendment clarifies that, excess of net sale proceeds of items produced over the cost of testing. If any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The amendment is effective for the annual periods beginning on or after April 1, 2022. However, the company is in the nature of rendering services and hence the above amendment does not have any impact in the financials.

(ii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The cost of fulfilling a contract comprises the cost that relate directly to the contract. Costs that relate directly to a contract consist of both

a) The incremental costs of fulfilling that contract – for example, direct labour and materials; and

b) An allocation of other costs that relate directly to fulfilling contracts – for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others. The amendment is effective for the annual period commencing on or after 01 April 2022 and early adoption is also permitted. The same will be reviewed by the company in next year.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

(ii) On March 24, 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which related to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head “financial liabilities”, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in the name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company has evaluated the same to give effect to them as required by law.

(iii) The Indian Parliament has approved the Code on Social Security, 2020 which may impact the employee benefit expenses of the Company. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Company will give appropriate impact in the financial results once the code becomes effective and related rules to determine the financial impact are notified.”

Basis of Preparation and Presentation of Financial Statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. 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 into 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.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

C. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the “functional currency”). The financial statements are presented in Indian Rupees (INR) the national currency of India, which is the functional currency of the company. All amounts have been presented in Lakhs, unless otherwise indicated.

D. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

E. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment during the year ended March 31, 2022 is included in the following notes:

- Note 11 – recognition of deferred tax assets: availability of future taxable profit against which tax Minimum Alternate Tax (MAT) credit can be used;
- Note 26 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 39 – recognition and measurement of provisions and contingencies: key assumptions about likelihood and magnitude of an outflow of resources;



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

- Note 4 – Useful life of Property, Plant and Equipment
- Note 15 – Provision for loss allowance on trade receivables.

F. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs, other than quoted prices included in 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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 38 – financial instruments;

G. Operating Cycle

Based on the nature of products or activities of the company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Significant accounting policies

A. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except for such exchange differences arising from the translation of specific items which are recognised in OCI, as the case may be.

B. Financial instruments

i. Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income ('FVOCI') – debt investment;
- FVOCI – equity investment; or
- Fair value through profit and loss ('FVTPL')

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both the following conditions and is not designated as FVTPL:

- a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Advances paid toward the acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Noncurrent Assets and the cost of property, plant and equipment not ready to use before such date are disclosed under "Capital work in progress".

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

The estimated useful lives of items of property, plant and equipment are as follows:

Asset category	Management estimate of useful life	Useful life as per Schedule II
Buildings	61	60
Surgical and other equipments	10	10
Electrical installations	5	5
Office equipments	5	5
Computers and accessories	3	3
Books	10	10
Furniture, fixtures and fittings	5	5
Vehicles	4	6

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Leasehold improvements are being depreciated over the term of the lease, or estimated useful life of the assets, whichever is lower on a straight line basis. Freehold land is not depreciated.

Assets individually costing Rs 5,000 and less are fully depreciated in the year of purchase based on the technical evaluation, the management believes that it represents the relevant useful life of these assets.

D. Intangible assets

i. Measurement

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset category	Management estimate of useful life
Software	3

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

E. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes. The fair value of investment property has been determined in accordance with the requirements of Ind AS 113 - Fair value measurement.

F. Inventories

Inventory comprises of pharmacy stock and consumables. Pharmacy stock is valued at the lower of cost and net realisable value including necessary provision for obsolescence. Consumables are valued at cost. Cost comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The cost of consumables is charged to the Statement of profit and loss in the year of purchase. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The Company follows the first-in-first out method of determining the cost of inventories.

The comparison of cost and net realisable value is made on an item-by-item basis.

G. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

H. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

iv. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

I. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

J. Revenue

The Company derives its revenue primarily from rendering medical and healthcare services. Income from medical and healthcare services comprises of Income from hospital services and sale of pharmacy products.

Sale of traded goods – pharmacy items

Revenue from sale of pharmacy items are recognized on delivery of items to the customers which is when the Company satisfies a performance obligation by transferring a promised good to a patient. Pharmacy items are transferred when the patient obtains control of such items.

Inpatient and Outpatient Revenue

Inpatient and Outpatient revenue is recognized as and when the related services are rendered. Revenue is also recognised in relation to the services rendered to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered. Revenue is recognised net of discounts and concessions given to the patients.

‘Unbilled revenue’ represents the value of medical and healthcare services rendered in excess of amounts billed to the patients as at the balance sheet date.

The Company collects Goods & Service Tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Disaggregation of revenue

The Company disaggregates revenue from contract with customers by the nature and type of goods sold or services provided. As the Company provides hospital services, this level of disaggregation best depicts the revenue structure of the Company (also refer Note 29).

K. Leases

The Company’s lease asset classes primarily consist of leases for 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.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve 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 includes the options 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 right-of-use 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.

Right-of-use 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. Right of use 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 amortized 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 in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

The company has applied practical expedient prospectively to all eligible rent concessions and has not restated prior period figures. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19- related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

L. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

M. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred taxes is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

N. Borrowing cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of Profit and Loss over the tenure of the loan.. Borrowing costs allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such assets are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is the borrowing costs eligible for capitalisation.

All other borrowing costs eligible are recognised in profit and loss in the period in which they incurred.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

O. Earnings per share

Basic earnings per share has been computed by dividing profit / loss for the year by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

P. Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Managing Director is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker ('CODM'). The Company's CODM reviews financial information presented, for purposes of making operating decisions and assessing financial performance of the Company. Therefore, the Company has determined that it operates in a single operating and reportable segment (Also refer to note 41).

Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on 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. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Bank balances other than the balance included in Cash and cash equivalents represents balance on account of deposits which are due to mature within 12 months of the reporting date.

R. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

S. Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

**Notes Forming
Part of
Financial
Statements**

Notes to the financial statements for the year ended March 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

4. Property, plant and equipment and Capital Work in Progress (See accounting policy in Note 3 (C))

Reconciliation of carrying amount

Particulars	Land	Buildings	Leasehold improvements	Surgical and other equipment's	Electrical installations	Computers	Books	Furniture and fixtures	Vehicles	Total	Capital Work in Progress
Cost of deemed cost (gross carrying amount)											
Balance as at April 1, 2020	583.58	1,113.28	563.93	2,300.77	415.43	110.60	0.61	79.07	124.56	5,291.83	7.06
Additions	3,282.90	-	49.98	434.18	72.90	53.46	-	12.23	-	3,905.65	184.66
Disposals	-	-	-	(90.01)	(3.61)	(0.05)	-	(1.17)	-	(94.84)	-
Transfers	-	-	-	-	-	-	-	-	-	-	(30.37)
Balance as at March 31, 2021	3,866.48	1,113.28	613.91	2,644.94	484.72	164.01	0.61	90.13	124.56	9,102.64	161.35
Additions	45.02	67.32	17.25	275.90	170.46	52.63	-	41.21	36.07	705.86	403.01
Disposals	-	-	-	(29.64)	(88.55)	-	-	-	-	(118.19)	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	3,911.50	1,180.60	631.16	2,891.20	566.63	216.64	0.61	131.34	160.63	9,690.31	564.36
ACCUMULATED DEPRECIATION											
Balance as at April 1, 2020	-	117.23	352.19	719.83	204.54	44.13	0.22	51.12	47.67	1,536.93	-
Depreciation for the year	-	30.17	93.82	280.94	59.26	33.98	0.07	11.27	32.87	542.38	-
Disposals	-	-	-	(88.50)	(3.54)	(0.05)	-	(0.89)	-	(92.98)	-
Adjustment	(0.02)	(0.04)	0.51	(10.06)	9.33	0.72	-	-	(0.44)	(0.00)	-
Balance as at March 31, 2021	(0.02)	147.36	446.52	902.21	269.59	78.78	0.29	61.50	80.10	1,986.33	-
Depreciation for the year	-	31.18	79.86	287.35	77.89	50.49	0.07	12.25	23.26	562.35	-
Disposals	-	-	-	(25.97)	(88.55)	-	-	-	(0.02)	(114.54)	-
Adjustment	(0.01)	0.01	(0.01)	0.08	1.97	(0.18)	0.01	1.24	0.00	3.11	-
Balance as at March 31, 2022	(0.03)	178.55	526.37	1,163.67	260.90	129.09	0.37	74.99	103.34	2,437.25	-

NET BLOCK

Balance as at March 31, 2021	3,866.50	965.92	167.39	1,742.73	215.13	85.23	0.32	28.63	44.46	7,116.31	161.35
Balance as at March 31, 2022	3,911.53	1,002.05	104.79	1,727.53	305.73	87.55	0.24	56.35	57.29	7,253.06	564.36

Also refer to Note No 22

Additions Information

Capital Work - in - progress aging schedule

As at March 31, 2022

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	403.01	161.35	-	-	564.36
Projects temporarily suspended	-	-	-	-	-
Total	403.01	161.35	-	-	564.36

As at March 31, 2021

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	161.35	-	-	-	161.35
Projects temporarily suspended	-	-	-	-	-
Total	161.35	-	-	-	161.35

Note: There are no projects which are under suspension. With regard to the above ongoing projects there are no projects where completion is overdue or has exceeded the cost as compared to its original plan, and consequent amendments approved by the Board thereon.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

5. Right of Use Asset

Description of Assets	Buildings	Total
I. Gross carrying value		
As at April 01, 2020 (Refer Note 23)	101.50	101.50
Additions	149.48	149.48
Disposals / Adjustments during the year	-	-
As at March 31, 2021	250.98	250.98
Additions	10.92	10.92
Disposals / Adjustments during the year	-	-
As at March 31, 2022	261.90	261.90
II. Accumulated depreciation		
As at April 01, 2020	17.95	17.95
Depreciation for the year	36.05	36.05
Disposals / Adjustments during the year	-	-
As at March 31, 2021	54.00	54.00
Depreciation for the year	39.98	39.98
Disposals / Adjustments during the year	-	-
As at March 31, 2022	93.98	93.98
III. Net Carrying Value		
As at March 31, 2021	196.98	196.98
As at March 31, 2022	167.92	167.92

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

6. Investment property

	Land #	Total
A Reconciliation of carrying amount		
Cost or deemed cost (gross carrying amount)		
Balance as at April 01, 2020	40.43	40.43
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	40.43	40.43
Balance as at April 01, 2021	40.43	40.43
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	40.43	40.43
Balance as at April 01, 2021	40.43	40.43
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	40.43	40.43

Investment property represents freehold land towards which depreciation charge is not applicable. Accordingly, the carrying amount (net) is equivalent to the gross carrying amount as at the respective balance sheet date. There is no impairment in respect of investment property.

Also refer to Note No: 22

Fair value

At March 31, 2020	2,461.54	2,461.54
At March 31, 2021	2,381.00	2,381.00
At March 31, 2022	3,560.29	3,560.29

B Measurement of fair values

Investment property comprises of freehold land in Trichy. The fair value of investment property has been determined in accordance with the requirements of Ind AS 113 - Fair value measurement. There has been no change to the valuation technique during the year.

The fair value measurement for the investment property has been categorised as a Level 3 (See accounting policy in note 3(e)).

Information regarding income and expenditure of investment property

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Rental income from the investment property	1.44	1.44

7. Other Intangible assets

Particulars	Software	Total
GROSS BLOCK		
Balance as at April 1, 2020	112.87	112.87
Additions	26.15	26.15
Disposals	-	-
Balance as at March 31, 2021	139.02	139.02
Additions	80.79	80.79
Disposals	-	-
Balance as at March 31, 2022	219.81	219.81
ACCUMULATED AMORTISATION		
Balance as at April 1, 2020	50.92	50.92
Amortisation for the year	38.16	38.16
Deletions	-	-
Adjustment	0.01	0.01
Balance as at March 31, 2021	89.09	89.09
Amortisation for the year	50.37	50.37
Deletions	-	-
Adjustment	(0.01)	(0.01)
Balance as at March 31, 2022	139.45	139.45
NET BLOCK		
Balance as at March 31, 2021	49.93	49.93
Balance as at March 31, 2022	80.36	80.36



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

8. Investments

(See accounting policy in note 3(B))

	As at March 31, 2022	As at March 31, 2021
Non- Current Investments		
Unquoted equity shares		
Investments in Equity Shares - others at Amortised Cost		
3,800 (March 31, 2021: 3,800) Equity shares of Nazca Energy Private Limited)	0.38	0.38
	0.38	0.38
Aggregate Carrying value of unquoted investments	0.38	0.38

9. Loans

Current

(Unsecured, considered good)

Others

Employee advances

Total

12.72	11.78
12.72	11.78

10 Other financial assets

(Unsecured, considered good)

Non-current

Security deposits

Bank deposits (due to mature after 12 months from the reporting date)

Current

Unbilled revenue

Interest accrued on fixed deposits but not due

Due's from holding company - Sri Kauvery Medical Care (India) Limited (Refer note No: 43)

Due's from fellow Subsidiary company - Kauvery Medical services Private Limited (Refer note No: 43)

Total

94.28	74.08
14.00	1.57
108.28	75.65
213.25	246.26
49.74	20.04
-	18.58
-	2.24
262.99	287.12
371.27	362.77

a. Unbilled revenue aging schedule as at March 31, 2022

Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Unbilled revenue	213.25	-	-	-	-	213.25

b. Unbilled revenue aging schedule as at March 31, 2021

Particulars	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Unbilled revenue	246.26	-	-	-	-	246.26



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

11 Income tax

(See accounting policy in note 3(m))

A Amounts recognised in statement of profit and loss

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax (a)		
Current period	841.43	566.48
Prior period taxes	39.03	-
Deferred tax (b)		
Attributable to -		
Origination and reversal of temporary differences	(43.23)	(40.04)
Tax expense (a) + (b)	837.23	526.44

B Income tax recognised in other comprehensive income

	As at March 31, 2022			As at March 31, 2021		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit liability	(33.23)	8.36	(24.87)	(15.58)	4.54	(11.04)

C Reconciliation of effective tax rate

	Year ended March 31, 2022		Year ended March 31, 2021	
	%	Amount	%	Amount
Profit before tax		3,209.81		1,804.38
Tax using the Company's domestic tax rate	25.17%	808.00	29.12%	525.44
Effect of:				
Income tax that is exempt from taxation	0.91%	29.23	0.06%	1.00
Effective tax rate / tax expense	26.08%	837.23	29.18%	526.44

D Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following

	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets / (liabilities)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	-	-	165.48	215.00	(165.48)	(215.00)
Provision for employee benefits	118.71	116.78	-	-	118.71	116.78
Loss allowance on trade receivables	42.86	42.18	-	-	42.86	42.18
Others	-	-	2.06	1.53	(2.06)	(1.53)
Deferred tax assets/ (liabilities)	161.57	158.96	167.54	216.53	(5.97)	(57.57)
Offsetting of deferred tax assets and deferred tax liabilities	(161.57)	(216.53)	(161.57)	(216.53)	-	-
Net deferred tax assets / (liabilities)	-	(57.57)	5.97	-	(5.97)	(57.57)

Movement in temporary differences for the year ended March 31, 2022 and March 31, 2021

	Balance as at April 1, 2020	Recognized in profit and loss during 2020-21	Recognized in OCI during 2020-21	MAT Credit entitlement	Balance as at March 31, 2021	Recognized in profit and loss during 2021-22	Recognized in OCI during 2021-22	Balance as at March 31, 2022
Property, plant and equipment	(243.36)	28.36	-	-	(215.00)	49.52	-	(165.48)
Provision for employee benefits	105.47	11.31	3.95	-	116.78	(6.43)	8.36	118.71
Loss allowance on trade receivables	45.65	(3.47)	-	-	42.18	0.68	-	42.86
Minimum alternative tax	456.08	-	-	(456.08)	-	-	-	-
Others	(4.78)	3.84	0.59	-	(1.53)	(0.53)	-	(2.06)
	359.06	40.04	4.54	(456.08)	(57.57)	43.23	8.36	(5.97)



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

	As at March 31, 2022	As at March 31, 2021
12 Income tax assets (net)		
Advance Incometax and Tax deducted at sources, Net of Provision for tax of INR. 2,123.42 (As on March, 31 2021-INR.1,457.36)	236.84	235.56
	236.84	235.56
13 Other Non-current/Current assets (Unsecured, considered good)		
Non-current		
Capital advances	171.77	4.51
Advances to holding Company -Sri Kauvery Medical Care (India) Limited (Refer note no: 43)	5.20	5.20
	176.97	9.71
Current		
Prepaid expenses	95.56	103.18
Advance to suppliers	19.40	10.14
	114.96	113.32
	291.93	123.03
14 Inventories(lower of cost and net realisable value) (See accounting policy in note 3(f))		
Stock-in-Trade - Pharmacy items	109.01	107.37
Consumables - Surgical material and medical stores	78.22	67.86
	187.23	175.23
15 Trade receivables (See accounting policy in note 3(b))		
Unsecured, considered good*	372.59	268.78
Less: Allowances for Credit Loss	(18.80)	(13.33)
	353.79	255.45
Undisputed Trade Receivables -Credit impaired	151.51	131.54
Less: Allowances for Credit Loss	(151.51)	(131.54)
Total	353.79	255.45

*includes receivable from Holding Company, refer note 43

15.1 Credit period and risk

Credit is provided mainly to Insurance Companies, Corporate customers, customers with insurance coverage and customers covered by Government accorded health benefits. The Insurance Companies are required to maintain minimum reserve levels and pre-approve the insurance claim, Government undertakings and the Corporate Customers are enterprises with high credit ratings. Accordingly, the Company's exposure to credit risk in relation to trade receivables is low. Further Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

Trade receivables are non-interest bearing. Of the Trade Receivable as at March 31, 2022, Rs.329.39 lakhs (As at March 31, 2021: Rs. 216.42 lakhs) are due from Seven (Previous year: six) of the Company's customers i.e having more than 5% of the total outstanding trade receivable balance. There are no other customers who represent more than 5% of the total balance of trade receivables.

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

15.2 Expected credit loss allowance

The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix, considering the amounts due from the government undertakings and the other undertakings. Further the Company also establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and recent collection trend.

The provision matrix at the end of the reporting period March 31, 2022 is as follows:

Particulars	Expected Credit loss (%)
Not due	5%
0-90 days	24%
91-180 days	48%
181-270 days	69%
271-360 days	100%
More than 360 days	100%



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

15 Trade receivables (continued)

15.3 Age of receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Not due	322.07	198.19
0-90 days	65.51	44.85
91-180 days	26.27	50.66
181-270 days	10.78	36.50
271-360 days	13.52	10.21
More than 360 days	85.95	59.91
Total	524.10	400.32

15.4 Movement of loss allowance in trade receivable

Opening balance	144.87	156.86
Add: Allowances made during the year(Also refer note 37)	45.31	50.06
Less : Written off	(19.87)	(62.05)
Closing balance	170.31	144.87

The Company's exposure to credit risk and loss allowances relating to trade receivables are disclosed in Note 38.

15.5 Additional disclosures -Trade Receivable Ageing Schedule

As at March 31, 2022	Within the credit period	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(a) Undisputed Trade Receivables -Considered good	309.18	63.41	-	-	-	-	372.59
(b) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed Trade Receivables -Credit impaired	16.27	28.33	20.96	43.10	16.83	26.02	151.51
(d) Disputed Trade receivables- Considered good	-	-	-	-	-	-	-
(e) Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(f) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
Total	325.45	91.74	20.96	43.10	16.83	26.02	524.10
Less : Allowance for credit Loss							(170.31)
Net Trade receivables							353.79

As at March 31, 2021	Within the credit period	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(a) Undisputed Trade Receivables -Considered good	190.35	65.14	13.29	-	-	-	268.78
(b) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed Trade Receivables -Credit impaired	7.84	30.36	33.43	24.05	22	13.75	131.54
(d) Disputed Trade receivables- Considered good	-	-	-	-	-	-	-
(e) Disputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
(f) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
Total	198.19	95.50	46.72	24.05	22.11	13.75	400.32
Less : Allowance for credit Loss							(144.87)
Net Trade receivables							255.45



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

	As at March 31, 2022	As at March 31, 2021
16. Cash and cash equivalents		
Balances with banks		
- on current accounts	151.70	197.36
Cash on hand	14.98	15.42
	166.68	212.78
17. Balance other than above		
- On deposit accounts (due to mature within 12 months of the reporting date)	3,149.38	1,557.07
	3,149.38	1,557.07
18. Equity		
Authorised		
250,000,000 (Previous year: 250,000,000) equity shares of Rs. 1/- each	2,500.00	2,500.00
	2,500.00	2,500.00
Issued, subscribed and paid up		
163,085,000 (Previous year: 163,085,000) equity shares of Rs. 1/- each fully paid up	1,630.85	1,630.85
	1,630.85	1,630.85

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2022		As at March 31, 2021	
	No. of shares (in Lakhs)	Amount	No. of shares (in Lakhs)	Amount
Equity shares of Rs. 1/- each fully paid up				
At the end of the year	1,630.85	1,630.85	1,630.85	1,630.85
	1,630.85	1,630.85	1,630.85	1,630.85

b. Rights, preferences and restrictions attached to shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c. Shares held by holding company

	As at March 31, 2022	
	No. of shares (in Lakhs)	Amount
Equity shares of Rs. 1/- each fully paid up Sri Kauvery Medical Care (India) Limited, the Holding Company	1,223.14	1,223.14
	1,223.14	1,223.14
	As at March 31, 2021	
	No. of shares (in Lakhs)	Amount
Equity shares of Rs. 1/- each fully paid up Sri Kauvery Medical Care (India) Limited, the Holding Company	1,223.14	1,223.14
	1,223.14	1,223.14



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

18. Equity (continued)

d. Details of share holders holding more than 5% of shares of Rs. 1/- each fully paid in the Company

	As at March 31, 2022	
	No. of shares (in Lakhs)	% of total equity shares
Equity shares of Rs. 1/- each fully paid up Sri Kauvery Medical Care (India) Limited, the Holding Company	1,223.14	75%
	As at March 31, 2021	
	No. of shares (in Lakhs)	% of total equity shares
Equity shares of Rs. 1/- each fully paid up Sri Kauvery Medical Care (India) Limited, the Holding Company	1,223.14	75%

e. Bonus shares/ buy-back for consideration other than cash allotted during a period of five years immediately preceding the financial year ended March 31, 2022:

- The Company has not allotted any shares without payment being received in cash.
- The Company has not allotted paid bonus shares.
- The Company has not bought back any shares during the aforesaid period.

f. Shareholding of promoters

(i) Equity Shares

Promoters Name	No of shares (in Lakhs)	As at March 31, 2022	
		% of total Shares	% of Change during the year
Sri Kauvery Medical Care (India) Limited	1,223.14	75%	-
	As at March 31, 2021		
	No of shares (in Lakhs)	% of total Shares	% of Change during the year
Sri Kauvery Medical Care (India) Limited	1,223.14	75%	-

19 Other equity

	As at March 31, 2022	As at March 31, 2021
Surplus in the statement of profit and loss		
At the commencement of the year	4,745.09	3,467.15
Profit for the year	2,372.58	1,277.94
At the end of the year	7,117.67	4,745.09
Other comprehensive income		
At the commencement of the year	(43.34)	(32.30)
Transfers during the year	(24.87)	(11.04)
At the end of the year	(68.21)	(43.34)
Total	7,049.46	4,701.75

20 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity and other borrowings. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

20 Capital management (continued)

The Company's adjusted net debt to equity ratio is as follows:

	As at March 31, 2022	As at March 31, 2021
Total Debt	2,688.01	2,694.19
Less : Cash and cash equivalents	(166.68)	(212.78)
Adjusted net debt	2,521.34	2,481.41
Total equity	8,680.31	6,332.60
Adjusted net debt to adjusted equity ratio	0.29	0.39

21 Earnings per share (EPS)

Basic and diluted earnings per share

The calculation of basic earnings per share is based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding as follows:

The calculation of basic earnings per share is based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares

	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year attributable to the equity shareholders (A)	2,372.58	1,277.94
Weighted average number of equity shares outstanding as at reporting date (B)	1,630.85	1,630.85
Basic and diluted earnings per share (EPS) (A/B)	1.45	0.78

The Company does not have any potential equity shares. Accordingly, basic and dilutive EPS would remain the same.

22 Borrowings

(See accounting policies in 3(n))

	As at March 31, 2022	As at March 31, 2021
Non-Current		
Secured		
Term loans from banks	1,960.60	2,542.62
Deferred payment liabilities	-	29.49
	1,960.60	2,572.11
Current		
Secured		
Term loans from banks	694.98	89.08
Deferred payment liabilities	32.43	33.00
Total	727.41	122.08

Terms of repayment of term loans from banks and the nature of security

a) Term loans outstanding as on March 31, 2022 of INR.2400.49 (March 31, 2021: INR 2313.55) availed from State Bank of India:

Term loan from State Bank of India for INR 229.6 Lakhs was availed on August 24, 2020 , principal is repayable in 40 quarterly Installments of INR 1.50 million towards principal commencing from June 30,2022. During the year, the Company has availed an additional loan of Rs. 104.49 lakhs towards the project. Interest is being serviced monthly @ 9.00%. The above loan is secured by way of the following:

- (i) Hypothecation of fixed assets created/ purchased out of bank finance.
- (ii) Equitable mortgage over commercial Land belonging to the Company Proposed to build Hospital on land measuring 60598 sq. ft belonging to Survey No.13,14/1,14/2part and 32 situated at No. 27,Alexindia Road,Cantonment,Trichy - 620 001.
- (iii) Equitable Mortgage over commercial Land and Building belonging to M/s.KMC Speciality Hospitals(India) Limited with buildup area 111083 sq.ft.,built on Land measuring 24864 sq.ft.,at: 5 royal Road,belonging to Sri kauvery Medical care(India) Limited(Title deedNo.3171/2008) Situatedin Ward K,BlockNo.17,New TS No.5 trichy Jt I & II Sub regn Dist of K Abhishekapuram Trichy - 620001
- (iv) Personal guarantees of Dr. D Senguttuvan
- (v) Corporate guarantee from Sri Kauvery Medical Care (India) Limited, the Holding Company.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

22 Borrowings (continued)

b) Term loans outstanding as on March 31, 2022 of INR 23.34 (March 31, 2021: 344.32) availed from HDFC Bank:

(i) Term loan towards purchase of car from HDFC Bank for INR 50 Lakhs was availed in the previous year and is repayable in 60 equated monthly installments (EMIs) of INR 1 lakhs commencing from March 7, 2017. The loan is secured by way of hypothecation of the asset procured and Loan was fully repaid by

(ii) Term loan towards purchase of car from HDFC Bank for INR178.1 Lakhs was availed in the previous year and is repayable in 60 equated monthly installments (EMIs) of INR 0.37 lakhs commencing from July 5, 2019. The loan is secured by way of hypothecation of the asset procured.

(iii) Term loan towards purchase of car from HDFC Bank for INR.30 Lakhs was availed in the previous year and is repayable in 48 equated monthly installments (EMIs) of INR 0.72 lakhs commencing from October 05,2021. The loan is secured by way of hypothecation of the asset procured.

c) Term loans outstanding as on March 31, 2022 of INR 220.17(March 31, 2021: 296.23) availed from Yes Bank Limited:

(i) Term loan towards purchase of MRI Scan from Yes Bank Limited for INR 395.5 Lakhs was availed on November 21, 2017 and is repayable in 78 equated monthly installments (EMIs) of INR 6.47 lakhs commencing from December 2017.

During the previous year 20-21 the Company has opted the moratorium announced by RBI for the period of six months as per the RBI circulars RBI/2019-20/186; DOR.No.BP.BC.47/21.04.048/2019-20 dated Mar 27, 2020 for 3 months (i.e., from March 1, 2020 to May 31, 2020) and RBI/2019-20/244; DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 for further 3 months (i.e., from June 1, 2020 to August 31, 2020). Accordingly principal repayment due of Rs.8.76 lakhs and interest expense of Rs.4.17 lakhs got deferred by six months.

(ii) Term loan towards purchase of CT Scan from Yes Bank Limited for INR 111.6 Lakhs was availed on October 9, 2017 and is repayable in 78 equated monthly installments (EMIs) of INR 1.82 lakhs commencing from November 2017.

During the previous year 20-21 the Company has opted the moratorium announced by RBI for the period of six months as per the RBI circulars RBI/2019-20/186; DOR.No.BP.BC.47/21.04.048/2019-20 dated Mar 27, 2020 for 3 months (i.e., from March 1, 2020 to May 31, 2020) and RBI/2019-20/244; DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 for further 3 months (i.e., from June 1, 2020 to August 31, 2020). Accordingly principal repayment due of Rs.2.49 lakhs and interest expense of Rs.1.16 lakhs got deferred by six months.

The above loans are secured by way of first and exclusive charge on the equipments purchased against the loan.

Deferred payment liabilities

Terms of repayment of term loans from banks and the nature of security

During the year 2017, the Company has purchased MRI & CT Scan machine from Siemens Healthcare Private Limited for an amount of INR.728.50 lakhs. The Company has paid an advance of INR 56.35 lakhs in the year of equipment purchased and has agreed to pay the balance INR 165.00 lakhs in a deferred manner as per the following installments. Balance of INR 507.15 lakhs has been disbursed through Bank loan from Yes bank.

INR 33 Lakhs payable the beginning of the 2 nd year

INR 33 Lakhs payable the beginning of the 3 rd year

INR 33 Lakhs payable the beginning of the 4th year

INR 33 Lakhs payable the beginning of the 5th year

INR 33 Lakhs payable the beginning of the 6th year

Additional disclosures

a. Borrowings secured against current assets

The Company does not have any borrowings secured against current assets

Name of Bank	Quarter ended	Type of Security	Amount as per Books	Amounts reported in Quarterly statements	Amount of Difference
NOT APPLICABLE					

b. The Company does not have any charges or satisfaction of charge which is yet to be registered with the Registrar of Companies beyond the statutory period.

c. The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

23 Lease Liabilities

The Company has adopted IND AS 116 "Leases" with effect from April 01, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach which resulted in recognition of Right of Use Asset (ROU).

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	35.77	25.97
Non-current lease liabilities	154.47	183.93
Total	190.24	209.90

B. Movement in Lease Liabilities

The following is the movement in lease liabilities during the twelve months ended March 31, 2022 and March 31, 2021:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance	209.90	85.56
Additions	10.92	149.48
Finance costs accrued during the period	20.00	19.13
Deletions	-	-
Payment of Lease liabilities	(50.58)	(44.27)
Total	190.24	209.90

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	35.77	25.97
One to five years	72.70	86.83
More than five years	81.77	97.10

24 Other financial liabilities

To parties other than related parties

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Liabilities towards purchase of property, plant and equipments	10.80	4.95
Employee benefits payable	188.34	190.58
Interest accrued but not due on borrowings	1.00	1.42
To related parties		
Due to related party (holding company) (Refer Note 43)	9.31	-
Total	209.45	196.95



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

25 Provisions

(See accounting policies in 3(i))

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for employee benefits		
Compensated absences	113.91	84.05
	113.91	84.05
Current		
Provision for employee benefits		
Gratuity (Refer note 26)	144.01	116.26
Compensated absences	64.17	43.57
	208.18	159.83
Total	322.09	243.88

Also refer to note 26 for employee related provisions.

26 Assets and liabilities relating to employee benefits

(See accounting policies in 3(h))

Also refer to note 26 for employee related provisions.

Provident fund benefits:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund for the year aggregated to Rs.110.71 Lakhs (March 31, 2021: Rs. 100.47 Lakhs) and is included in "contribution to provident and other funds."

Employee State Insurance benefits:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Employee State Insurance, which is defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Employee state Insurance for the year aggregated to INR.33.90 Lakhs (March 31,2021: INR. 29.88 Lakhs) and is included in "Staff Welfare Expenses."

	As at March 31, 2022	As at March 31, 2021
Net defined benefit asset - Gratuity plan	134.16	90.74
Total employee benefit asset (current)	134.16	90.74
Net defined benefit liability - Gratuity plan	144.01	116.26
Liability for compensated absences	178.08	127.62
Total employee benefit liabilities	322.09	243.88

For details about the related employee benefit expenses, see note 34.

The Company operates the following post-employment defined benefit plans.

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, liquidity risk, salary escalation risk, demographic risk, regulatory risk and investment risk.

A. Funding

The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of Plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

26 Assets and liabilities relating to employee benefits (continued)

B. Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	207.00	168.27
Benefits paid	(10.25)	(14.88)
Current service cost	38.95	24.58
Interest cost	9.93	8.41
Past service gain		
Actuarial (gains)/ losses recognised in other comprehensive income		
changes in demographic assumptions	(4.12)	14.20
changes in financial assumptions	13.07	0.88
experience adjustments	23.60	5.54
Others	-	-
Balance at the end of the year	278.17	207.00
Reconciliation of fair value of plan assets		
Balance at the beginning of the year	90.74	71.99
Contributions paid into the plan	50.00	25.00
Benefits paid	(10.25)	(14.89)
Interest income	4.35	3.60
Return on plan assets recognised in other comprehensive income	(0.68)	5.04
Balance at the end of the year	134.16	90.74
Net defined benefit liability	144.01	116.26
C.		
i. Expense recognised in profit or loss		
Current service cost	38.95	24.58
Interest cost	9.93	8.41
Interest income	(4.35)	(3.60)
	44.53	29.39
ii. Remeasurement recognised in other comprehensive income		
Actuarial (gain)/ loss on defined benefit obligation	32.55	20.62
Return on plan assets excluding interest income	0.68	(5.04)
	33.23	15.58
D. Plan assets		
Plan assets comprise of LIC fund maintained by Company.		
E. Defined benefit obligations		
i. Actuarial assumptions for Gratuity and Compensated Absences		
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate	5.3%	4.8%
Future salary growth	10.0%	8.0%
Attrition rate	31.0%	31.0%
Normal retirement age	60 Years	60 Years
Mortality rate	100%	100%
	(% of IALM 2012 -2014)	(% of IALM 2012 -2014)



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

26 Assets and liabilities relating to employee benefits (continued)

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Increase	Decrease	Increase	Decrease
ii. Sensitivity analysis				
Discount rate (1% movement)	287.23	269.63	200.27	214.15
Future salary growth (1% movement)	269.93	286.71	213.77	200.47
Attrition rate (50% movement)	331.17	253.81	191.62	238.20
Mortality rate (10% movement)	278.19	278.14	206.98	207.00

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by percentage indicated, keeping all other actuarial assumptions constant. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

F. Expected cash flows over the next (valued on undiscounted basis):

	March 31, 2022	March 31, 2021
1 Year	78.18	55.90
2 to 5 years	189.56	137.15
6 to 10 years	54.02	42.66
More than 10 years	11.72	10.43

G. Five year information

Amounts of the current year and previous four periods are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	278.17	207.00	168.27	130.43	116.71
Plan asset	134.16	90.74	71.99	80.48	87.89
Surplus/(deficit)	(144.01)	(116.26)	96.28	(49.95)	(28.82)
Experience adjustments					
- in plan liabilities (loss) / gain	(23.60)	(5.54)	(14.35)	(10.80)	(15.66)
- in plan assets (loss) / gain	-	-	-	-	-

27 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro and small enterprises (Refer Note 42)	5.72	9.68
Total outstanding dues of creditors other than micro and small enterprises*	534.82	511.13
	540.54	520.81

*includes payables to Holding Company, refer note 43.

27.1 Additional disclosures

As at March 31, 2022

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	5.72	-	-	-	5.72
(ii) Others	534.82	-	-	-	534.82
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	540.55	-	-	-	540.55



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

As at March 31, 2021

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	9.68	-	-	-	9.68
(ii) Others	511.13	-	-	-	511.13
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	520.81	-	-	-	520.81

	As at March 31, 2022	As at March 31, 2021
28 Other liabilities		
Non-current	10.52	12.39
Security deposits	10.52	12.39
Current		
Advance from patients	134.33	167.75
Statutory liabilities	94.88	63.01
	229.21	230.76
Total	239.73	243.15

29 Revenue from operations (See accounting policies in 3(j))

A. Revenue streams

The Company generates revenue primarily from the hospital services and sale of pharmacy products to its customers. Other source of revenue includes ambulance and scrap sales.

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from medical and healthcare services		
Income from hospital services	12,766.28	9,576.56
Sale of pharmacy products	758.43	611.77
	13,524.71	10,188.33
Other operating revenues		
Sale of scrap	14.61	1.78
Others	67.96	73.61
	82.57	75.39
	13,607.28	10,263.72



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

29 Revenue from operations (continued)

B. Disaggregation of revenue from contracts with customers

Revenue from contract with customers is disaggregated by primary geographic market, major service and product lines and timing of revenue recognition, as set out below:-

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Primary geographical markets		
India	13,607.28	10,263.72
	13,607.28	10,263.72
Major service lines / products		
Revenue from in-patient services	11,297.23	8,214.86
Revenue from out-patient services	1,469.05	1,361.70
Sale of pharmacy products	758.43	611.77
Others	82.57	75.39
	13,607.28	10,263.72
Timing of revenue recognition		
Service transferred over a period of time	11,365.20	8,288.47
Service transferred at a point in time	1,469.05	1,361.70
Products transferred at a point in time	773.04	613.55
	13,607.28	10,263.72

C. Reconciliation of revenue recognised with contract price:

(i) Income from Hospital services (Including Other operating income):

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Contract price (as reflected in the invoice raised on customer as per terms of the contract with customer)	13,170.30	9,906.24
Reduction in form of discounts and allowances	(336.06)	(254.29)
Reduction towards amount received on behalf of third party service consultant	-	-
Revenue recognised in statement of profit and loss	12,834.24	9,651.95

(ii) Pharmaceutical Products:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Contract price (as reflected in the invoice raised on customer as per terms of the contract with customer)	777.61	621.85
Reduction in form of discounts and allowances	(4.57)	(10.08)
Reduction towards amount received on behalf of third party service consultant	-	-
Revenue recognised in statement of profit and loss	773.04	611.77

D. Contract balances

The following disclosure provides information about receivables, contract assets and liabilities from Contracts with customers

	As at March 31, 2022	As at March 31, 2021
Receivables which are included in Trade receivables	353.79	255.45
Contract Assets Unbilled revenue	213.25	246.26
Contract Liabilities - Advance from patients	(134.33)	(167.75)



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
30 Other income		
Interest income from banks	121.08	45.84
Interest income from others	3.46	43.33
Rental income (Also refer note 43)	12.96	13.10
Profit on disposal of property, plant and equipment, net	2.90	1.89
Miscellaneous income	74.29	88.48
	214.69	192.64
31 Cost of materials consumed		
Inventory at the beginning of the year	67.86	96.75
Add: Purchases	277.07	239.54
Inventory at the end of the year	(78.22)	(67.86)
	266.71	268.43
32 Purchases of traded goods		
Purchase of pharmacy products*	1,790.73	1,345.79
	1,790.73	1,345.79
*Includes pharmacy products for in-patient services as well as sale of pharmacy products		
33 Changes in inventory - traded goods		
Opening inventory	107.37	125.55
Closing inventory	(109.01)	(107.37)
	(1.64)	18.18
34 Employee benefits expense		
Salaries, wages and bonus (Refer note 43)	2,336.79	1,867.22
Contribution to provident and other funds (Refer note 26)	155.24	129.86
Staff welfare expenses	220.87	154.04
	2,712.90	2,151.12
35 Finance costs		
Interest		
- on term loans	47.06	52.92
- on lease liabilities (Refer note 23)	20.00	19.13
- on others	2.52	23.17
	69.58	95.22
36 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (Refer note 4)	562.35	542.38
Depreciation of Right of use assets (Refer note 5)	39.98	36.05
Amortisation of intangible assets (Refer note 7)	50.37	38.16
	652.70	616.59



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
37 Other expenses		
Hospital operating expenses		
Professional fees paid to consultants	2,707.22	2,233.52
Power and fuel	243.36	231.37
Repairs and maintenance		
- Buildings	57.95	53.30
- Plant and machinery	58.48	57.06
- Others	359.48	257.04
Sub-contracting charges (Also Refer Note 43)	625.12	470.58
Medical gas	31.05	24.60
Rent	67.88	55.35
Blood and medical record scan charges	85.39	58.03
Patient Diet Expenses	96.02	-
	4,331.95	3,440.85
Administrative expenses		
Rates and taxes	44.06	52.59
Business promotion and publicity	223.45	124.71
Travelling and communication expenses	123.96	88.96
Printing and stationery	80.26	60.59
Legal and professional charges	99.03	138.67
Payment to auditors (refer note below (i))	20.60	20.47
Security charges	12.36	2.20
Bad debts written off	19.87	62.05
Less provision utilised	(19.87)	(62.05)
Corporate social responsibility (refer note below (ii))	23.00	19.14
Provision for loss allowance	45.31	50.06
Insurance	26.03	15.78
Bank charges	28.50	22.52
Directors sitting fees	7.30	6.56
Miscellaneous expenses	55.37	113.55
	789.23	715.80
	5,121.18	4,156.65



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

37 Other expenses (continued)

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(i) Payment to auditors (excluding goods and services tax)		
Statutory audit	15.50	15.50
Quarterly limited reviews	4.50	4.50
Out of pocket expenses	0.60	0.47
	20.60	20.47
(ii) Details of corporate social responsibility expenditure		
(a) Amount required to be spent by the Company during the year	23.00	19.14
(b) Amount spent during the year		
(i) Construction / acquisition of any assets	-	-
(ii) On purposes other than (i) above	23.00	19.14
(c) Short fall at the end of the year	-	-
(d) Total of previous years short fall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR Activities*	Not applicable	Not applicable
(g) Contribution to Related parties	Not applicable	Not applicable
(h) Movement in Provision		

* INR 5 Lakhs to Jays Insititue of Tennis towards Coaching expenses of a tennis player & INR 18 lakhs to Round table India trust towards Paramedical medical courses.

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

38 Financial instruments - Fair value and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2022

Particulars	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Financial assets not measured at fair value			
Investments	0.38	-	0.38
Loans	12.72	-	12.72
Trade receivables	353.79	-	353.79
Cash and cash equivalents	166.68	-	166.68
Bank balances other than above	3,149.38	-	3,149.38
Other financial assets	371.27	-	371.27
Financial liabilities not measured at fair value			
Borrowings	-	2,688.01	2,688.01
Lease Liabilities	-	190.25	190.25
Trade payables	-	540.55	540.55
Other financial liabilities	-	209.45	209.45

March 31, 2021

Particulars	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Financial assets not measured at fair value			
Investments	0.38	-	22.00
Loans	11.78	-	11.78
Trade receivables	255.45	-	255.45
Cash and cash equivalents	212.78	-	212.78
Bank balances other than above	1,557.07	-	1,557.07
Other financial assets	362.77	-	362.77
Financial liabilities not measured at fair value			
Borrowings	-	2,694.19	2,694.19
Trade payables	-	520.81	520.81
Other financial liabilities	-	196.95	196.95

The Company has not disclosed fair values of financial instruments such as investments, loans, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, borrowings, trade payables and other financial liabilities, since their carrying amounts are reasonable approximates of fair values. The Company does not have any financial asset/liability which are classified as FVTPL or FVTOCI.

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

38 Financial instruments - Fair value and risk management (continued)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- a) credit risk (see (B)(ii));
- b) liquidity risk (see (B)(iii)); and
- c) market risk (see (B)(iv)).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company,

ii. Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure.

	Carrying amount	
	As at March 31, 2022	As at March 31, 2021
Trade receivables	353.79	255.45
Loans	12.72	11.78
Cash and cash equivalents	3,316.06	1,769.85
Other financial assets	371.27	362.77
	4,053.83	2,399.85

Trade receivables

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to INR 170.31 (March 31, 2021 : INR 144.87). The Company's exposure to credit risk for trade receivables and other receivables is as follows:

	As at March 31, 2022	As at March 31, 2021
Trade receivables (gross)	524.10	400.32
Less: Credit loss allowance	(170.31)	(144.87)
	353.79	255.45

Loans

This balance primarily constitute of rental deposits given to lessors, employee advances and electricity deposit given to Tamil Nadu Electricity Board. The Company does not expect any losses from non-performance by these counter parties.

Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Other financial assets

Other financial assets comprises of unbilled revenue, bank deposits (due to mature after 12 months from the reporting date) and interest accrued on fixed deposits. These fixed deposits are held with credit worthy banks and financial institutions. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

38 Financial instruments - Fair value and risk management (continued)

iii. Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has current financial assets of INR 3945.56 (March 31, 2021: INR 2324.20), which the management believes is sufficient to meet all its liabilities maturing during the next 12 months amounting to INR 1512.18 (March 31, 2021: INR 864.38).

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, including contractual interest.

As at March 31, 2022

	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Borrowings	2,688.01	2,688.01	363.71	363.71	703.27	1,257.33
Lease liabilities	190.25	190.25	17.88	17.88	18.17	136.32
Trade payables	540.55	540.55	540.55	-	-	-
Other financial liabilities	209.45	209.45	209.45	-	-	-
	3,628.26	3,628.26	1,131.59	381.59	721.44	1,393.65

As at March 31, 2021

	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Borrowings	2,708.00	2,708.00	111.25	112.30	85.74	2,398.71
Lease liabilities	209.90	209.90	12.60	13.37	30.28	153.64
Trade payables	520.81	520.81	520.81	-	-	-
Other financial liabilities	195.53	195.53	195.53	-	-	-
	3,634.24	3,634.24	840.19	125.67	116.02	2,552.35

The following are the financial assets at the reporting date. The amounts are gross and undiscounted, including contractual interest.

As at March 31, 2022

	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Investments	0.38	0.38	-	-	0.10	0.28
Loans	12.72	12.72	6.36	6.36	-	-
Trade receivables	353.79	353.66	238.04	25.32	90.30	-
Cash and cash equivalents	166.68	166.68	166.68	-	-	-
Bank balances other than above	3,149.38	3,149.38	1,303.53	806.76	807.80	231.29
Other financial assets	371.27	372.33	372.33	-	-	-
	4,054.22	4,055.15	2,086.94	838.44	898.20	231.57

As at March 31, 2021

	Carrying amount	Total	6 months or less	6-12 months	1-2 years	More than 2 years
Investments	0.38	0.38	-	0.10	-	0.28
Loans	11.78	11.78	-	-	-	85.86
Trade receivables	255.45	255.45	214.31	28.37	12.78	(0.00)
Cash and cash equivalents	212.78	212.78	212.78	-	-	-
Bank balances other than above	1,557.07	1,557.07	426.52	1,118.51	12.04	-
Other financial assets	362.77	362.77	362.77	-	-	-
	2,400.23	2,400.23	1,216.38	1,146.98	24.82	86.14



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

38 Financial instruments - Fair value and risk management (continued)

iv. Market risks

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to interest rate risk.

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2022	As at March 31, 2021
Variable rate long term borrowings including current maturities	2,655.58	2,631.70
Total borrowings	2,655.58	2,631.70

(b) Sensitivity

	Impact on profit or loss		Impact on other components of equity	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
1% increase in MCLR rate	26.56	26.32	26.56	26.32
1% decrease in MCLR rate	(26.56)	(26.32)	(26.56)	(26.32)

The interest rate sensitivity is based on the closing balance of secured term loans from banks.

39 Contingent liabilities and commitments

	As at March 31, 2022	As at March 31, 2021
a) Contingent liabilities		
(i) Claims against the Company not acknowledged as debts	-	-
(ii) Guarantees given		
- Guarantees given to bankers on behalf of the holding company Sri Kauvery Medical Care (India) Limited	6,456.39	3,275.97

(iii) The Company, is empaneled under TNCMCHIS for all the services offered by the hospital including Cardiology and Cardiothoracic Surgery. Heart patients under this scheme are treated by the Company in its hospital and wherever the patients require Angioplasty or Heart Surgeries like Bypass Surgery, Valve Replacement, etc., is outsourced to the Kauvery Heart City Hospital, a division of SKMC, the holding company, which is located within the same premises. All the approvals for such procedures are obtained and bills are submitted by the Company. The amount so received from this scheme for such cardiac procedures performed by Heart City is being reimbursed on a monthly basis as per the agreed terms between both the Company and the Holding Company. In the opinion of the management, such outsourcing arrangements are in accordance with the guidelines issued by the Government of Tamil Nadu vide orders in G.O.Ms No. 268 Health and Family Welfare (EAP/1) Department) dated 17/11/2016 and in compliance with the MOU dated May 2, 2017 entered into with United India Insurance Co. Ltd.

(iv) Amendment to the Minimum Wages Act

On March 02, 2018, the Govt. of Tamil Nadu passed an order by way of notification in the Official Gazette revising the minimum wages for employment in hospitals and nursing homes under the Minimum Wages Act, 1948. As per the order the notification shall come into force with immediate effect. We understand from the management that the impact of the said notification is fairly significant for the Healthcare Industry in particular to companies operating in Tier II and Tier III cities. In this regard, the Association of Healthcare Providers India ("AHPI") of which the company is a member had filed a writ petition with the Madurai Bench of Madras High Court and pursuant to the aforesaid petition, the court had granted an interim stay order dated May 31, 2018 restraining the authorities from initiating proceedings against the members of AHPI.

Labour and Employment Department has issued an order dated July 16, 2019 and has mentioned that Committee is constituted to hold enquiries and advise the Government in the matter of revision of minimum wages and a report will be submitted within 6 months from the date of the GO order. Taking into consideration the above developments and also based on the opinion from legal counsel, the company has not created any provision in the books of account for the Year ended March 31, 2022 and the same has been disclosed as a Contingent Liability in the Financial Statements.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

(v) Code on Wages 2019 and Code on Social Security 2020

The code on Wages 2019 and Code on Social Security 2020 “the Codes” relating to employee compensation and post-employment benefits received the Presidential Assent in September 2020 and the Code has been published in the Official Gazette. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

b) Commitments

Estimated value of contracts remaining to be executed on capital account and not provided for	220.5	20.31
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40 Transfer pricing

The Company has specified domestic transactions with related parties as provided for in the Income Tax Act, 1961. In the opinion of the management, the Company maintains documents as prescribed by the Income-tax Act to prove that these specified domestic transactions are at arm’s length and the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

41 Segment reporting

Ind AS 108 “Operating Segment” (“Ind AS 108”) establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the “management approach” as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company’s performance and allocates resources on overall basis. The Company’s sole operating segment is therefore ‘Medical and Healthcare Services’. The Company’s entire business operations is in India. Accordingly, there are no additional disclosure to be provided under Ind AS 108.

42 Dues to micro and small enterprises

The management has identified the enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Such determination/ identification has been done on the basis of information received and available with the Company and relied upon by the auditors. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2022 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
(i) The amounts remaining dues to micro and small suppliers as at the end of the year		
- Principal amount	5.72	9.68
- Interest due on the above amount	-	-
(ii) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006 and amounts of payment made to the suppliers beyond the appointed day during the year.	-	-
(iii) Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act.	-	-
(iv) Amount of interest accrued and remaining unpaid at the end of the year.	-	-
(v) 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 to the small enterprises.	-	-

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

43 Related party disclosures

a) Names of related parties and nature of relationship are as follows:

Nature of relationship	Name of the related party
Holding company	Sri Kauvery Medical Care (India) Limited
Fellow subsidiaries	Curtis Drug Point private limited Kauvery Hospitals (Bengaluru) Private Limited (w.e.f August 24,2020) Healthcare Capital Private Limited Hamsa Medical Services Private Limited Kauvery Hospital Medical Services Private Limited
Key management personnel (KMP)	Dr. S.Chandrakumar, Executive Chairman Dr. S Manivannan, Managing Director Dr. Senguvattan, Director Mr. K. Anand Babu Chief Financial Officer Ms. Akshaya Company Secretary (upto October 31, 2020) Ms. Priya, Company Secretary (w.e.f November 11, 2020 Upto March 05,2021) Ms. Yasotha Benazir, Company Secretary (w.e.f March 1, 2021)
Enterprises over which KMP have significant influence	Trivitron Health Care Private Limited Neuberg Ehrlich Laboratory Private Limited
Relative of KMP	Kavery Medical Trust Dr N Suchitra

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

43 Related party disclosures (continued)

b) Transaction with related parties during the year

	As at March 31, 2022	As at March 31, 2021
Sri Kauvery Medical Care (India) Limited		
Revenue from hospital services rendered	200.60	229.91
Hospital services availed	211.24	108.38
Doctor fees reimbursed	182.96	-
Sale of goods	1.85	14.80
Purchase of goods	20.11	4.79
Rental income	12.96	12.96
Rental expenses	2.10	2.10
Gaurentee Commission (net)	2.81	17.34
Interest income	-	37.93
Reimbursement of expenses received	35.33	27.27
Reimbursement of expenses Paid	233.76	-
Claims made on behalf of the Holding Company (Refer note 39 a(ii))	863.32	808.02
Reimbursement of claims received on behalf of the Holding Company (Refer note 39 a(ii))	915.05	945.55
Loan repayment received	-	411.22
Curtis Drug point private limited		
Purchase of Goods	805.36	533.62
Trivitron Health Care Private Limited		
Purchase of property, plant and equipment	-	11.04
Repairs and maintenance - Plant and machinery	2.92	1.14
Neuberg Ehrlich Laboratory Private Limited		
Testing Fees	620.93	464.21
Kavery Medical Trust		
Rent Paid	1.56	14.38
Kavery Hospital Medical Services Private Limited		
Sale of Goods	-	0.72
Purchase of Goods	0.14	-
Software Maintenance charges	4.10	2.24
Kavery Hospitals (Bengaluru) Private Limited		
Reimbursement of expenses	0.06	-
Salaries,wages and Bonus *		
- Dr. S. Chandrakumar, Executive Chairman	84.00	49.71
-Dr.S.Manivannan, Managing Director	84.00	45.28
- Mr. K.Anand Babu, Chief Financial Officer	73.33	49.62
-Ms.Akshaya Company Secretary (upto October 31, 2020)	-	4.23
-Ms. Priya, Company Secretary (w.e.f November 11, 2020 Upto March 05,2021)	-	5.87
- Ms.Yasotha Benazir, Company Secretary (w.e.f March 1, 2021)	7.37	0.46
* The obligation towards gratuity and leave encashment are calculated for the company as a whole and hence not included above.		
Dr. D Senguttuvan		
-Professional fees paid to consultants	238.72	142.86
-Salaries, wages and bonus	45.00	37.50
-Incentive	38.43	26.32
Dr. N Suchitra		
-Professional fees paid to consultants	176.55	97.58



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

43 Related party disclosures (continued)

c) Balances outstanding as at the year end

	As at March 31, 2022	As at March 31, 2021
Sri Kauvery Medical Care (India) Limited		
Trade Payable	1.26	0.16
Other Non- current/Current assets	5.20	5.20
Other financial assets	-	18.58
Guarantees and collaterals	6,456.39	3,275.97
Kavery Medical Trust		
Trade Payables	0.13	0.12
Neuberg Ehrlich Laboratory Private Limited		
Trade Payables	42.45	46.40
Curtis Drug point private limited		
Trade Payables	19.47	8.82
Dr. N Suchitra		
Trade Payables	10.84	-
Kauvery Hospital Medical Services Private Limited		
Other financial assets	-	2.24

Notes :

(a) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2022, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(b) Remuneration and other benefits pertain to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

(c) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(d) All transactions with these related parties are priced at arm's length basis. The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

Disclosure in accordance with Section 186 of the Companies Act, 2013:

The above guarantees represents financial guarantee provided by the Company for term loans availed by the holding company.

44 Disclosure as per Schedule V of Regulation 34 of the listing regulations - Loans

Name of the Company	Sri Kauvery Medical Care (India) Limited
As at March 31, 2022	-
Maximum outstanding during the year 2021-22	-
As at March 31, 2021	-
Maximum outstanding during the year 2020-21	411.22



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

45. Additional Disclosures - Ratios

Ratio	Numerator	Denominator	Current year	Previous year	% of Variance	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	2.18	2.08	5%	
Debt Equity Ratio	Debt	Equity	0.31	0.43	-27%	HDFC Land Loan Closed Last Year Feb21 Rs.235 Lakhs
Debt service coverage ratio	Earnings available for debt service	Debt service	16.33	5.06	223%	HDFC Land Loan Closed Last Year Feb21 Rs.235 Lakhs
Return on equity ratio	Net profit after taxes	Average shareholders equity	1.45	0.78	86%	During Fy 21 Return on Equity is Low due to Covid 19
Inventory Turnover ratio	Sales	Average inventory	36.70	25.06	46%	Pharmacy sales Increased
Trade receivable turnover ratio	Net credit sales	Average accounts receivable	13.78	11.49	20%	
Trade payable turnover ratio	Net credit purchases	Average trade payables	3.38	3.03	12%	
Net capital turnover ratio	Net sales	Average working capital	7.57	11.08	-32%	During Fy 21 Net Sales is Low due to Covid 19
Net Profit ratio	Net profit	Net sales	17%	17%	-1%	
Return on capital employed	Earnings before interest and Depreciation	Capital employed	44%	38%	14%	
Return on investment	Net profit	Total Assets	18%	12%	51%	During Fy 21 Return on Investment is Low due to Covid 19

46 No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.

47 Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.

48 The Company has not traded / invested in Crypto currency or virtual currency.

49 The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) 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

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

50 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall

(i) 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

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

51 The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

52 The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2022

(All amounts are in Indian Rupees Lakhs except share data or as stated)

53. Disclosures required under section 186(4) of the Companies Act, 2013

Sr No	Name of the Related entity	Relationship with the company	Current year	As at March 31, 2022	As at March 31, 2021
i	Loans Given				
	Sri Kauvery Medical Care (India) Limited	Holding Company	Working Capital	-	-
ii	Investment made			-	-
iii	Guarantees Given			-	-
	Sri Kauvery Medical Care (India) Limited	Holding Company	Term loans	6,456.39	3,275.97
iv	Security Provided			-	-

54 Operating leases

(b) As lessor

The Company had entered into an operating lease arrangement in respect of certain office space with a lease term of 29 years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent income recognised during the year amounts to INR 1.44 (Previous year: INR 1.44). The schedule for future minimum lease payments in respect of non-cancellable operating lease is set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	1.44	1.44
Later than one year but not later than five years	6.04	5.92
Later than five years	21.41	22.97

55 The Indian Parliament has approved the Code on Social Security, 2020 which could impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the change are applicable is yet to be notified and final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are published

56 The company has evaluated the option of availing provision u/s 115BAA of The Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019 and accordingly decided to continue with the new Income tax rate for the financial year 2021-22.

57 The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact on various elements of its financial statements relating to COVID-19 pandemic. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of trade receivables, inventories, other financial assets and other current assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

58 The financial statements were approved for issue by the board of directors on 30 May 2022.

The notes referred to above form an integral part of the financial statements.

for and on behalf of the board of directors of

KMC Speciality Hospitals (India) Limited

CIN: L85110TN1982PLC009781

Dr S Manivannan

Managing Director
DIN : 00910804

Dr S Chandrakumar

Executive Chairman
(Whole- Time)
DIN : 01867847

Place : Chennai

Date : May 30, 2022

K. Anand Babu

Chief financial officer

Yasotha Benazir N

Company Secretary



KMC Speciality Hospitals (India) Limited

6, Royal Road, Cantonment, Trichy - 620 001

CIN: L85110TN1982PLC009781

E-mail: corporatecompliance@kauveryhospital.com

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