

01st September, 2023

BSE Limited
 25th Floor, P J Towers
 Dalal Street, Fort
 Mumbai- 400 001

Dear Sir/Madam,

Sub: Notice and Annual Report of 40th Annual General Meeting for the year 2022-23.

Ref: Security ID: **KMCSHIL**; Scrip Code: **524520**

The Fortieth Annual General Meeting (40th AGM) of the Company is scheduled to be held on Wednesday, September 27, 2023 at 10:30 A.M. IST through Video Conference (VC) / Other Audio Visual Means (OAVM). The Company has engaged Central Depository Services (India) Limited ("CDSL") for providing e-voting services and VC/OAVM facility for this AGM.

The Schedule of AGM is mentioned below:

Event	Date	Time (in IST)
Cut-off Date to vote on AGM Resolutions	20 th September, 2023	NA
Book Closure Date	From 21 st September, 2023 to 27 th September, 2023 (Both days inclusive)	NA
Commencement of e-Voting	24 th September, 2023	09:00 AM
End of e-Voting	26 th September, 2023	05:00 PM
Date of AGM	27 th September, 2023 through Video Conferencing	10:30 AM

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a copy of 40th Annual Report along with the Notice of the 40th AGM being sent to the shareholders of the Company, is enclosed herewith and the same is also available on the website of the Company in the web link www.kauveryhospital.com/investors#.

We request you to take the above on record as compliance with relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With regards,

For **KMC Speciality Hospitals (India) Limited**

Sushma K
Company Secretary & Compliance Officer



EXPANDING THE REACH OF
AFFORDABLE HEALTHCARE.



ANNUAL REPORT
2023

KMC Speciality Hospitals
(India) Limited



ANNUAL REPORT 2022-2023

**KMC Speciality Hospitals
(India) Limited**
Corporate Information

Board of Directors

Dr S Chandrakumar
Executive Chairman (Whole-Time)

Dr S Manivannan
Managing Director

Dr D Senguttuvan
Whole Time Director (upto 11.08.2023)

Dr S Vijayabaskaran
Non-Executive Director (w.e.f 11.08.2023)

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

Dr D Senguttuvan
Executive Director and Unit Head
(w.e.f 11.08.2023)

Mr K Anand Babu
Chief Financial Officer

Ms Sushma K
Company Secretary & Compliance Officer

Bankers

State Bank of India

Auditors

M/S. Deloitte Haskins & Sells

Chartered Accountants
ASVN RAMANA Tower 52,
Venkatnarayana Road,
T. Nagar, Chennai – 600 017

Registered Office

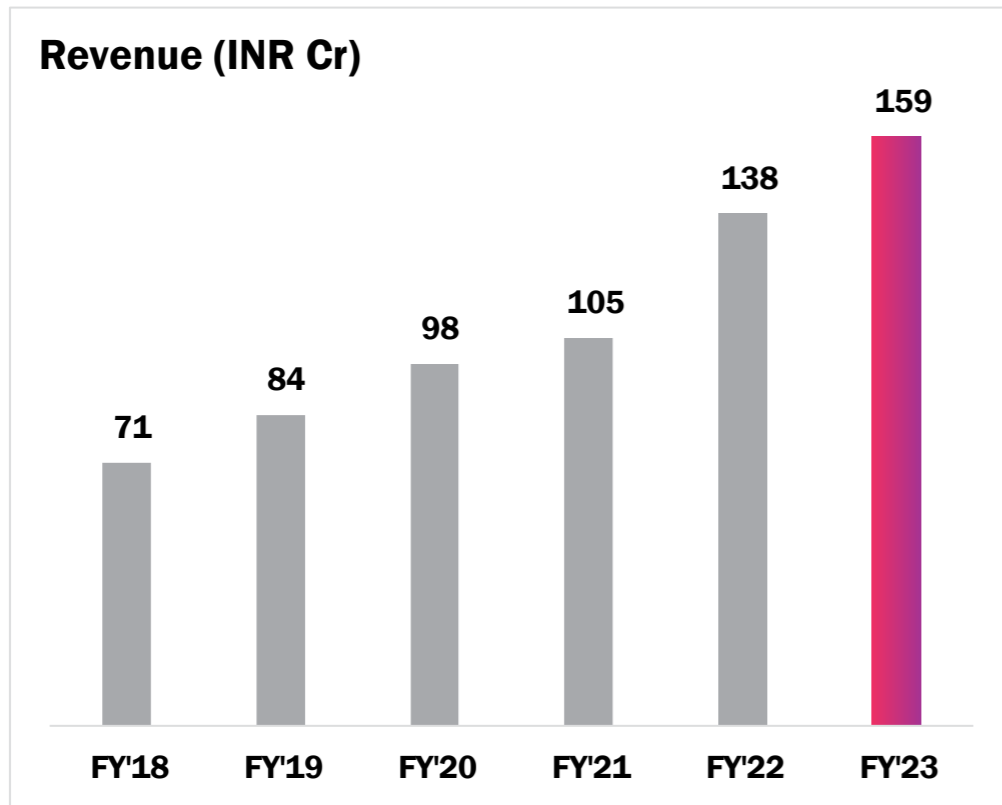
6, Royal Road, Cantonment,
Trichy -620 001
CIN: L85110TN1982PLC009781
E-Mail: corporatecompliance@kauveryhospital.com
Website: www.kauveryhospital.com

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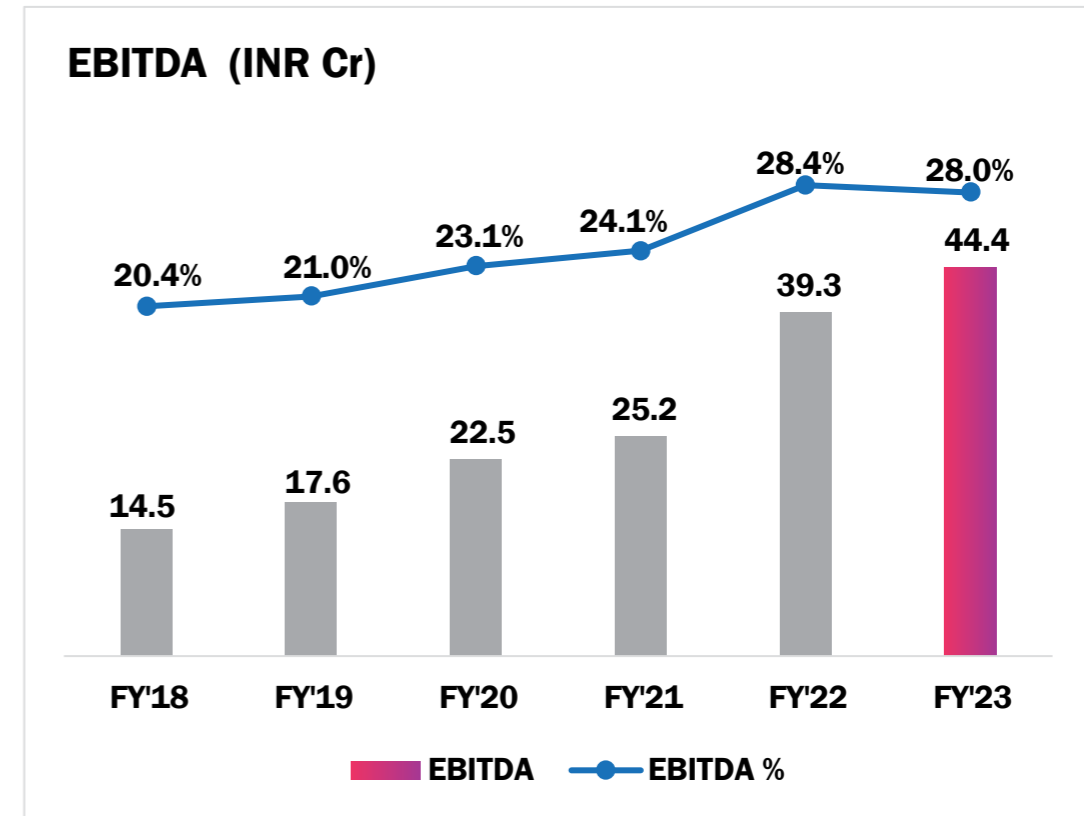


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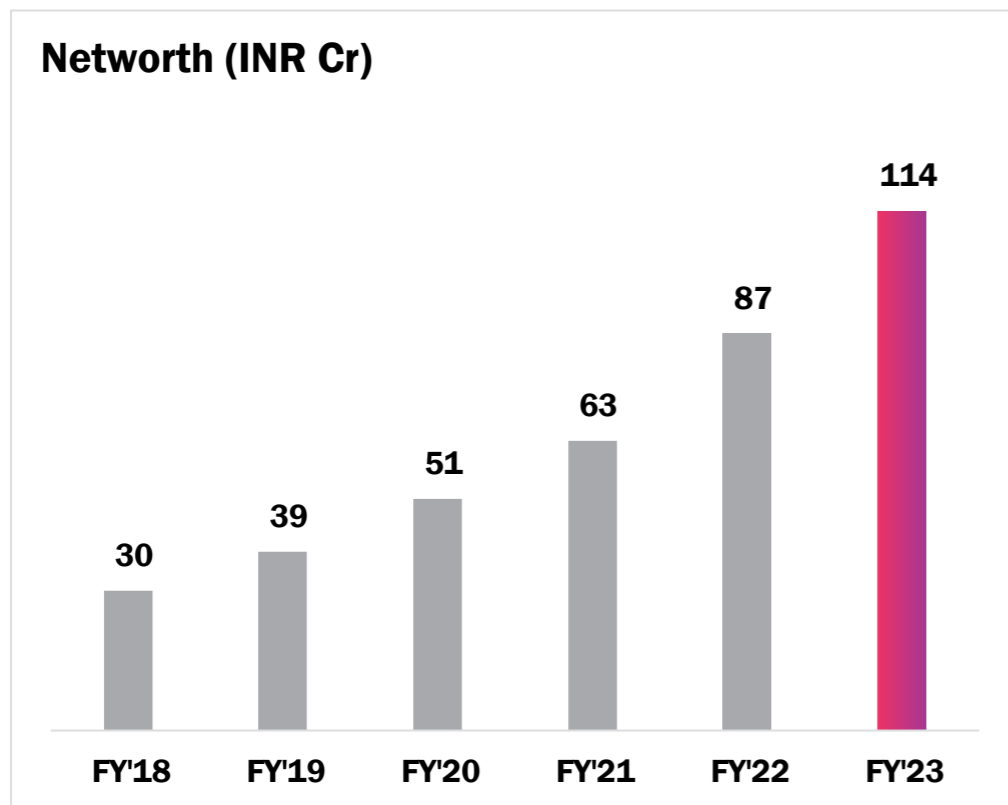
10 years Revenue CAGR of 18.5%



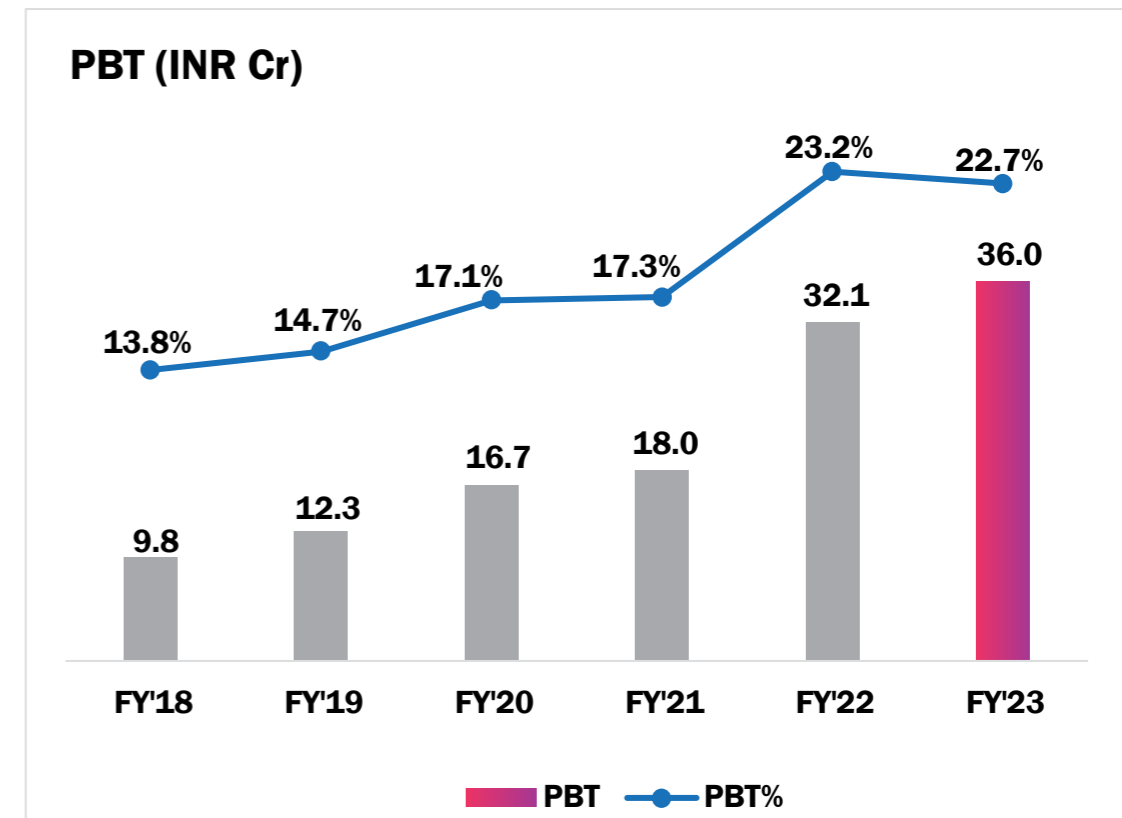
10 years EBITDA CAGR of 25.5%

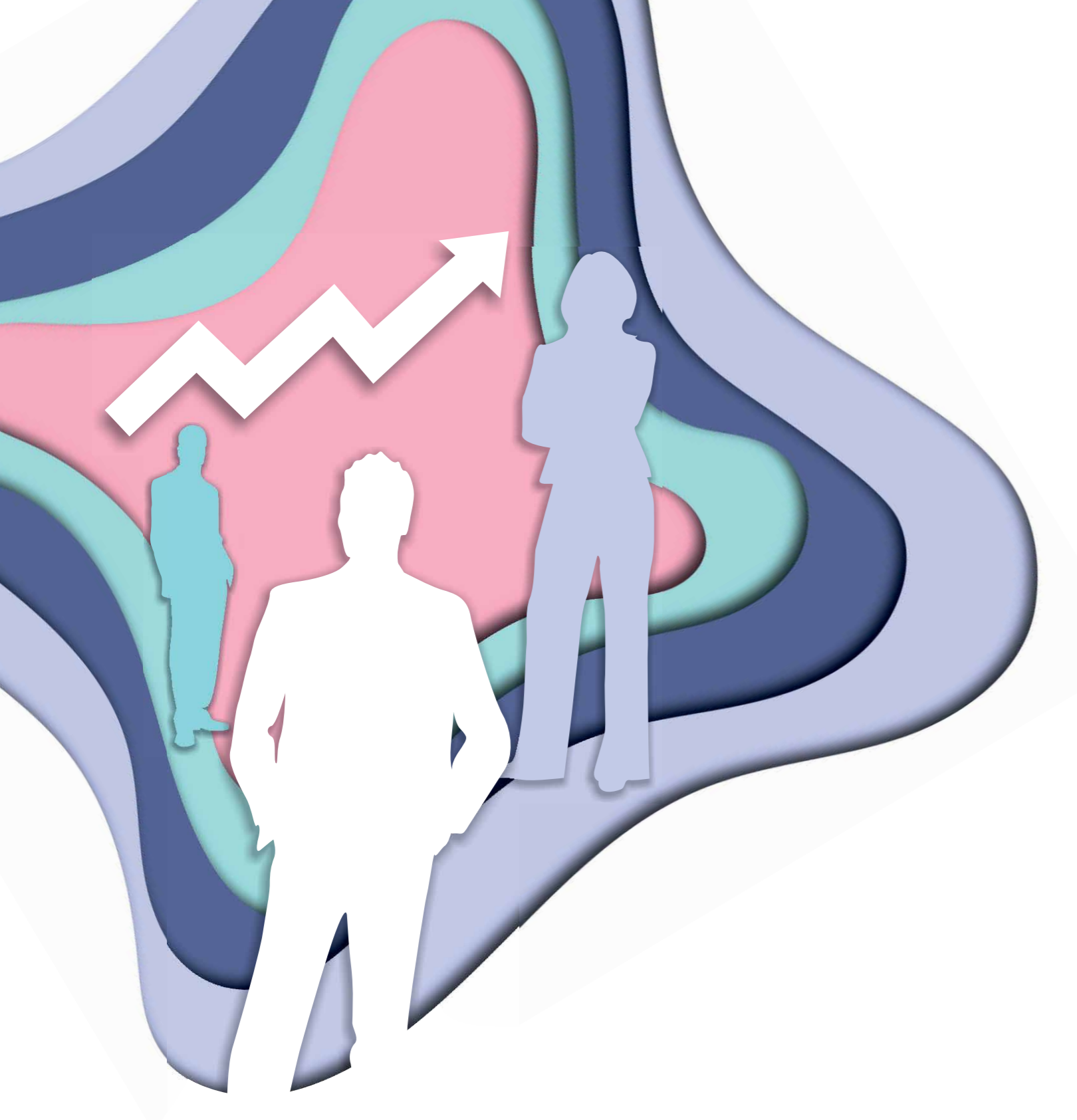


10 years Networth CAGR of 23.8%



10 years PBT CAGR of 38.8%





NOTICE TO SHAREHOLDERS

**KMC Speciality Hospitals
(India) Limited**

CIN: L85110TN1982PLC009781

Registered Office:

No: 6, Royal Road,
Cantonment, 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 **FORTIETH ANNUAL GENERAL MEETING** of the Members of the Company will be held on **Wednesday, the 27th day of September, 2023 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 2023 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. Appointment of Dr. S Vijayabaskaran (DIN: 05139565), as a Non-Executive Non-Independent Director of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 152, 161 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Articles of Association of the Company and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Dr. S Vijayabaskaran (DIN: 05139565), who was appointed as an Additional Director of the Company with effect from 11th August, 2023 by the Board of Directors of the Company pursuant to Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive, Non-Independent Director of the Company and is liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Key Managerial Personnel be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. Ratification of remuneration to Cost Auditor for financial year 2022-23

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. 55,000/- (Rupees Fifty Five 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 G Sugumar & Co, Cost Accountants (Registration No. 102522), 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."

5. Ratification of remuneration to Cost Auditor for the financial year 2023-24

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. 55,000/- (Rupees Fifty Five Thousand only)** plus applicable tax and reimbursement of out of pocket expenses for the financial year 2023-24, as approved by the Board of Directors of the Company, to be paid to M/s G Sugumar & Co, Cost Accountants (Registration No. 102522), Chennai, appointed by the Board as Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-24, be and is hereby ratified."

By the order of the Board

sd/-

Sushma K

Company Secretary

Place: Chennai

Date: 11th August, 2023

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. 10/2022 dated December 28, 2022 ("MCA Circulars") Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 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.

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 40th 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 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/investors#. 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 at least 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 December 28, 2022 and SEBI circular dated January 05, 2023, the Notice of the AGM along with the Annual Report 2023 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 2023 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 & 5 is annexed hereto and forms part of this notice. The profile of the directors seeking appointment/reappointment, as required in terms of clause 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 / reappointment at the Annual General Meeting are annexed for item no. 2 & 3 of the Notice convening the Fortieth 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, 2023 to 27th September, 2023 (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 2023 at 09:00 a.m. IST and ends on 26th September 2023 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 2023 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 the 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 are requested to visit cdsi Website 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 cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 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), 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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.

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 toll free no. 1800 22 55 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, which will be made available to scrutinizer for verification.

(xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote E-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 toll free no. 1800 22 55 33

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 Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call toll free no. 1800 22 55 33.

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 : Appointment of Dr. S Vijayabaskaran (DIN:05139565), as a Non-Executive Non-Independent Director of the Company.

Dr. S Vijayabaskaran was appointed by the Board of Directors as an Additional Director, effective August 11, 2023, subject to the approval of the Members of the Company. In terms of Section 161 of the Companies Act, 2013 ("Act"), Nomination & Remuneration Committee and the Board have recommended the appointment of Dr. S Vijayabaskaran as a Non-Executive, Non-Independent Director of the Company.

Pursuant to amendment (effective from January 01, 2022) to Regulation 17(1C) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Dr. S Vijayabaskaran shall hold office up to the date of next Annual General Meeting or for a period of Three (3) months from the date of appointment, whichever is earlier.

Further, the Company has also received from Dr. S Vijayabaskaran, the consent to act as a Director in terms of Section 152 of the Act and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Additional information in respect of Dr. S Vijayabaskaran, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided at **Annexure A** to this Notice.

There will not be any remuneration payable to Dr S Vijayabaskaran except sitting fees & reimbursement of expenses at actuals if any

Except Dr. S Vijayabaskaran the appointee and his relative Dr S Chandrakumar, Executive Chairman (Whole-time) of the Company, 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 their shareholding, if any

Accordingly, the Board of Directors recommends the resolution set forth in Item No. 3 for approval of members as Ordinary Resolution.

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 company had appointed M/s Thanigaimani & Associates, Cost Accountants (Registration No. 101899) as Cost Auditor of the company on August 12, 2022 to conduct the audit for the Financial Year 2022-23, and remuneration of the cost auditor was approved by the shareholders at the Annual General Meeting held on September 27, 2022.

On March 09, 2023, M/s Thanigaimani & Associates resigned as Cost Auditors of the Company due to pre-occupations. On account of this casual vacancy, the Board considered the recommendations of the Audit Committee and appointed M/s G Sugumar & Co. (Firm Registration No. 102522), as the Cost Auditors of the Company for Financial Year 2022-23 at a remuneration of Rs 55,000/- (Rupees Fifty Five Thousand only)(plus applicable taxes and reimbursement of out-of-pocket expenses)

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.

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 their shareholding, if any.

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

Item No. 5: 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 11, 2023 considered and recommended to the Board, the appointment of M/s G. Sugumar & co, Cost Accountants (Firm Registration Number: 102522) as the Cost Auditors of the Company for FY 2023-24 and a remuneration of Rs. 55,000/- (Rupees Fifty Five Thousand only) (plus applicable taxes and reimbursement of out-of-pocket expenses) payable to the Cost Auditors for FY 2023-24.

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 G. Sugumar & co, Cost Accountants (Firm Registration Number: 102522) as the Cost Auditors of the Company for the FY 2023-24. The Board, also on the recommendations of the Audit Committee approved the remuneration of Rs. 55,000 /- (Rupees Fifty Five Thousand only) (excluding applicable taxes and reimbursement of out-of-pocket expenses) payable to Cost Auditors for FY 2023-24. 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, 2024.

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 their shareholding, if any.

Accordingly, the Board of Directors recommends the resolution set forth in Item No. 5 for approval of members as Ordinary Resolution.

Annexure - A

**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	62 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
Experience/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	4
Relationship with Directors inter-se	Nil

Item No: 3

Name of the Director	Appointment
	Dr S Vijayabaskaran
Director Identification Number	05139565
Type	Director
Age & Date of Birth	54 years, 02/07/1969
Date of Appointment/ Re- appointment	11/08/2023
Qualification	MSc.(AG), PH D, PGDBA, PGDHA
Number of Equity shares held	NIL
Experience/Expertise in specific functional area	Accounting, Finance, Law, Business Management, Operations, Risk Management, 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	NA
Relationship with Directors inter-se	Brother of Dr S Chandrakumar

EVSN 230828088

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 of 2 working days 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.



BOARDS' REPORT
2022-2023



BOARDS' REPORT - 2022-23

To,

The Members

Your Directors have pleasure in presenting their **Fortieth** Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2023.

1. Financial highlights for the year ended March 31, 2023

Particulars	2022-23 (Rs In Lakhs)	2021-22 (Rs In Lakhs)
Operating Income	15,575.64	13,607.28
Other Income	312.86	214.69
Total Income	15,888.50	13,821.97
Operating Expenses	11,444.15	9,889.88
EBIDTA	4444.35	3,932.09
Finance Cost	81.10	69.58
Depreciation	764.22	652.70
Profit/(Loss) before Tax	3599.03	3,209.81
Tax expense	1003.14	880.46
Provision for Deferred Tax	(72.95)	(43.23)
Profit/(Loss) after Tax (PAT)	2668.84	2,372.58

2. Dividend

Board has not recommended dividend for the financial year 2022-23 keeping in view the long term objectives of the Company.

Your Company has formulated a Dividend Distribution Policy in compliance with Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. This is also available on the Company's website and can be accessed at: <https://www.kauveryhospital.com/investors>

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 **14.5%** to **Rs. 15,575.64 lakhs** during the financial year 2022-23 from **Rs. 13,607.28 lakhs** in the previous year.

Your Company has earned Profit after tax of **Rs. 2668.84 lakhs** for the financial year 2022-23 higher than **Rs. 2,372.58 lakhs** achieved during the previous year.

5. Information On State Of Company's Affairs

Information on operational and financial performance etc., is provided in the Management Discussion and Analysis Report, which is annexed to the Directors' Report and has been prepared inter-alia in compliance with the terms of SEBI (LODR) Regulations, 2015.

6. 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.

7. 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 2022-23.

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

8. 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.

9. 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.

10. 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.

Further no application against the Company has been filed or is pending under the Insolvency and Bankruptcy Code 2016. The Company has not done any one time settlement with any Bank or Financial Institutions

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. Business Responsibility & Sustainability Reporting

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility & Sustainability Report for the year 2022-23 describing the initiatives taken by the Company towards Environment, Social and Governance (ESG) parameters & the performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) in the prescribed format is provided elsewhere in this report.

17. 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.

18. 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".

19. Copy of Annual Return

The duly certified copy of Annual Return for the Financial Year ended 31st March 2023, 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.

20. 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	2022-23	2021-22
1.	Foreign Exchange Earned	Nil	Nil
2.	Foreign Exchange outgo	Rs. 10.23 Lakhs	Nil

21. 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 rupees 500 Crores or more, or turnover of rupees 1000 Crores or more or a net profit of rupees 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.

Further, in terms of the CSR Rules, the CFO has certified to CSR Committee that the funds disbursed for CSR have been used, for the purpose and in the manner approved by the Board for financial year 2022- 2023.

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.

22. 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	Thirunavukkarasu Senthil Kumar	01742558	Non-Executive Non-Independent Director
5	Krishnamoorthy Arunachalam	00386122	Independent Director
6	Natarajan Bala Baskar	00469656	Independent Director
7	Chenthilkumar Sathasivam	02621693	Independent Director
8	Narayanasami Jeyanthei	07143462	Independent Director
9	Anandababu Kumaraswamy	AETPA9622D	Chief Financial Officer
10	Sushma K	FJMPS6815P	Company Secretary & Compliance Officer

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	Narayanasami Jeyanthei	07143462	Independent Director	30/08/2023	Re-appointment as Independent Director for Second Term
2	Yasothea Benazir N	NA	Company Secretary & Compliance Officer	15/06/2022	Cessation
3	Sushma K	NA	Company Secretary & Compliance Officer	15/06/2022	Appointment

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 2022-23 are provided in the Corporate Governance Report annexed to the Boards' Report.

23. 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 the Independent Directors and the Board has taken on record the same.

All the IDs 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 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 Companies Act 2013.

24. 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.

25. Particulars of contracts or arrangements with related parties

During the financial year 2022-23 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**.

26. 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.

27. 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.

28. 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 14th February 2023, for the FY 2022-23. 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.

29. 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.

30. 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.

31. 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#>.

32. 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 called "Vigilant" software wherein the details of all the designated persons are being captured in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

33. 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.

34. 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 31st January, 2023 and all the Independent Directors attended the Meeting without the presence of the Non-Independent Directors and the members of the management.

35. Listing fees:

The Company confirms that it has paid the Annual Listing Fees for the year 2022-23 to Bombay Stock Exchange where the company's shares are listed.

36. 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 has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH).

The company had not received any Complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 during the financial year 2022-23.

37. 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.

38. 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, 2023 to the date of this report.

39. 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.

40. 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.

On account of the casual vacancy of the erstwhile Cost Auditor of the Company M/s Thanigaimani & Associates, Chennai who was appointed for FY 22-23, the Company on the recommendations of the Audit Committee had appointed M/s G Sugumar & Co. (Firm Registration No. 102522), Chennai as the Cost Auditors of the Company for Financial Year 2022-23. Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, 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.

41. Secretarial Standards

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

42. 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.

Place: Chennai

Date: May 29, 2023

For and on behalf of the Board of Directors

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

Sl.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 Asset	NA	NIL
9	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Guarantee Expenses	NA	NIL
10	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Guarantee 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 paid	NA	NIL
15	Sri Kauvery Medical Care (India) Ltd	Availing and Rendering of Service		Sale of asset	NA	NIL
16	Curtis Drug Point Private Limited	Purchase and Sale of goods		Purchase of Goods	NA	NIL
17	Trivitron Healthcare Private Limited	Purchase and Sale of goods		Purchase of property, plant and equipment	NA	NIL
18	Neuberg Ehrlich Laboratory Private Limited	Availing and Rendering of Service		Testing Fees	NA	NIL
19	Kavery Medical Trust	Leasing of property of any kind		Rent Paid	NA	NIL
20	Kavery Medical Trust	CSR Contribution		Donation	NA	NIL
21	Kauvery Hospital Medical Services Private Limited	Purchase and Sale of goods		Purchase & Sale of Goods	NA	NIL
22	Kauvery Hospital Medical Services Private Limited	Availing and Rendering of Service		Reimbursement of expenses paid	NA	NIL
23	Kauvery Hospitals (Bengaluru) Private Limited	Availing and Rendering of Service		Reimbursement of expenses paid	NA	NIL
24	Hamsa Medical Services Private Limited	Availing and Rendering of Service		Hospital Services availed	NA	NIL
25	Hamsa Medical Services Private Limited	Availing and Rendering of Service		Reimbursement of expenses	NA	NIL
26	Dr Suchitra	Availing and Rendering of Service		Doctor fees paid in professional capacity	NA	NIL
27	Ms Deeksha Senguttuvan	Availing and Rendering of Service		Doctor fees paid in professional capacity	NA	NIL
28	Dr S Chandrakumar	Whole time Director		Remunerations	NA	NIL
29	Dr S Manivannan	Managing Director		Remunerations	NA	NIL
30	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, 2023

[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, 2023 ("**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, 2023 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, no 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

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:F007488E000355693

Place: Chennai
Date: May 23, 2023

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:F007488E000355693

Place: Chennai
Date: May 23, 2023

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	Number of meetings of CSR Committee	Number of meetings of CSR Committee attended during the year
1	Mr A Krishnamoorthy	Chairman-Independent Director	2	2
2	Dr S Chandrakumar	Member - Executive Chairman (Whole-time)	2	2
3	Dr S Manivannan	Member- Managing Director	2	2

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company at the web link: <https://www.kauveryhospital.com/investors>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable

5. (a) Average net profit of the Company as per sub section (5) of Section 135: - Rs. 22,64,63,381/-

(b) Two percent of average net profit of the company as per section (5) of Section 135: Rs. 45,29,268/-

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

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

(e) Total CSR obligation for the financial year - Rs.45,29,268/-

6. (a) Amount spent on CSR Projects (other than Ongoing Project) - 45,30,000/-

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment, if applicable - NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] - 45,30,000/-

(e) 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 subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs 45,30,000/-	Not Applicable				

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (In Rs)
i	Two percent of average net profit of the company as per sub-section (5) of section 135	45,29,268
ii	Total amount spent for the Financial Year	45,30,000
iii	Excess amount spent for the Financial Year [(ii)-(i)]	732
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Not Applicable

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - Not Applicable

Place: Chennai
Date: May 29, 2023

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	47.08%
2.	Dr S Manivannan	47.08%

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)	-
2.	Dr S Manivannan	Managing Director	-
3.	Dr D Senguttuvan	Whole Time Director	8%
4.	Mr K Anandababu	Chief Financial Officer	10.73%
5	Ms Sushma K*	Company Secretary	45.00%

*Was appointed as Company Secretary w.e.f. 15/06/2022

3. Percentage increase in the median remuneration of employees

The percentage of increase in the Median employee remuneration is 13% as compared to the previous year.

4. Permanent Employees

The Number of Permanent Employees on the rolls of the Company as on March 31, 2023 is 1043 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 11 % while that of KMPs is 11.11%.

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 sectors, 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.

India's 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 a majority of secondary, tertiary, and quaternary care institutions with a major concentration in metros, 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. The low cost of medical services has resulted in a rise in the country's medical tourism, attracting patients from across the world. Moreover, India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research.

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 2023-24:
 - Under the Union Budget 2023-24, the Ministry of Health and Family Welfare has been allocated Rs. 89,155 crore (US\$ 10.76 billion), an increase of 3.43% compared to Rs. 86,200.65 crore (US\$ 10.4 billion) in 2021-22.
 - Pradhan Mantri Swasthya Suraksha Yojana (PMSSY) was allocated Rs. 3,365 crore (US\$ 0.41 billion)
 - Human Resources for Health and Medical Education was allotted Rs. 6,500 crore (US\$ 780 million).
 - National Health Mission was allotted Rs. 29,085 crore (US\$ 3.51 billion).
 - Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) was allotted Rs. 7,200 crore (US\$ 870 million).
 - 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.
- In July 2022, the World Bank approved a US\$ 1 billion loan towards India's Pradhan Mantri-Ayushman Bharat Health Infrastructure Mission.
- In order to promote medical tourism in the country, the government of India is extending the e-medical visa facility to the citizens of 156 countries.

Significant Industry highlights:

The Indian healthcare sector is expected to record a three-fold rise, growing at a CAGR of 22% between 2016–22 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.

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.

In FY22, premiums underwritten by health insurance companies grew to Rs. 73,582.13 crore (US\$ 9.21 billion). The health segment has a 33.33% 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.

Road Ahead

- India's healthcare sector is extremely 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 the latest dynamics and trends which will have a positive impact on their business.
- 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 the population. Besides, Indian medical service consumers have become more conscious towards their healthcare upkeep. Rising income levels, an ageing population, growing health awareness and a changing attitude towards preventive healthcare is expected to boost healthcare services demand in the future. Greater penetration of health insurance aided the rise in healthcare spending, a trend likely to intensify in the coming decade.
- The Government aims to develop India as a global healthcare hub, and is planning to increase public health spending to 2.5% of the country's GDP by 2025.

Source: IBEF Healthcare update April, 2023

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	2022-23 (Rs In Lakhs)	2021-22 (Rs In Lakhs)
Operating Income	15,575.64	13,607.28
Other Income	312.86	214.69
Total Income	15,888.50	13,821.97
Operating Expenses	11,444.15	9,889.88
EBIDTA	4444.35	3,932.09
Finance Cost	81.10	69.58
Depreciation	764.22	652.70
Profit/(Loss) before Tax	3599.03	3,209.81
Tax expense	1003.14	880.46
Provision for Deferred Tax	(72.95)	(43.23)
Profit/(Loss) after Tax (PAT)	2668.84	2,372.58

Total Operating income increased by **14.5%** to **Rs. 15,575.64 lakhs** during the financial year 2022-23 from **Rs. 13,607.28 lakhs** in the previous year.

Your Company has earned Profit after tax of **Rs. 2668.84 lakhs** for the financial year 2022-23 significantly higher than **Rs. 2,372.58 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

Indian healthcare sector, being one of the fastest growing industries, there is immense scope for enhancing healthcare services penetration in India, thereby presenting ample opportunity for development of the healthcare industry. India's private healthcare sector has contributed significantly and accounts for about 60 per cent of inpatient care. Most private facilities initiated their plans in response to the COVID-19 pandemic, which involved significant investments to prepare facilities for controlling and preventing the infection, building infrastructure for quarantine and treatment, and equipping the facility with suitable medical supplies and additional workforce.

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 THEREFORE

S. No	Ratios	Basis	31-Mar-23	31-Mar-22	Variance (in %)	Reasons
1.	Current ratio	Current Assets/Current Liabilities	2.30	2.18	6%	-
2.	Debt Equity ratio	Total Liabilities/ Shareholder funds	0.39	0.31	27%	The Company has availed loan from State Bank of India towards the Mother & Child care Project thereby increasing the borrowings in the current year as compared to previous year.
3.	Debt service coverage ratio	Net Operating revenue / Total Debt	13.48	16.33	-17%	-
4	Return on equity ratio	Net profit after taxes/ Average shareholders' equity	1.64	1.45	12%	-
5	Inventory Turnover ratio	Sales/ Average Inventory	37.32	36.70	2%	-
6	Trade receivable turnover ratio	Net Credit Sales/ Average Accounts Receivable	9.14	13.78	-34%	During the year, the credit revenue has reduced by 14% with a corresponding increase in receivables by 30% inspite of improvement in collections has led to the reduction in turnover ratio.
7	Net Profit ratio	Net Profit/ Net Sales	17	17	0%	-
8	Operating Margin	Operating Income/Revenue	98%	98%	NIL	-
9	Interest Coverage Ratio	EBITDA/Interest Expense	53 times	54 times	2%	-

9. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY

The return on net worth for the company improved and stood at 27.05% during FY23, from 23.52% during FY22. The return on net worth measures the ability of a Company to generate profits.

10. CAUTIONARY STATEMENT

The information and opinion expressed in this Report may contain certain forward-looking statements, which the management believe are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in this report.

Place: Chennai
Date: May 29, 2023

sd/-
Dr S Manivannan
Managing Director
DIN: 00910804

sd/-
K Anandababu
Chief Financial Officer

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, 2023, 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, 2023.

Place: Chennai
Date: May 29, 2023

sd/-
Dr S Manivannan
Managing Director
DIN: 00910804

MD & CFO CERTIFICATION AS PER CLAUSE 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 2023 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 the 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: May 29, 2023

sd/-
Dr S Manivannan
Managing Director
DIN: 00910804

sd/-
K Anandababu
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, 2023 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: F007488E000355693

Place: Chennai
Date: May 29, 2023

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 2023:

Name of the Director	Designation	Attended previous AGM held on 27/09/2022	Total Board meeting entitled to attend	Total Board meetings attended	No. of Directorship in other companies	Number of membership and Chairmanship in Audit/Stakeholder Relationship Committee(s) including this listed entity	
						Member**	Chairman*
Dr S Chandrakumar	Executive Chairman (Whole- Time)	YES	4	4	9	1	0
Dr S Manivannan	Managing Director	YES	4	4	12	2	0
Dr D Senguttuvan	Whole Time Director	YES	4	4	1	0	0
Dr T Senthil Kumar	Non-Executive Non-Independent Director	YES	4	4	0	0	0
CA S Chenthilkumar	Independent Director	YES	4	4	1	1	1
Mr A Krishnamoorthy	Independent Director	YES	4	4	2	4	3
Mr N Bala Baskar	Independent Director	YES	4	4	2	3	0
Mrs N Jeyanthei	Independent Director	YES	4	4	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 Public Companies whether Listed or Unlisted.

** 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 1,287,136 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 2022-23 on the following dates: -

S. No.	NAME OF THE DIRECTOR	30-May-22	12-Aug-22	11-Nov-22	14-Feb-23
1	Dr S Chandrakumar	PRESENT	PRESENT	PRESENT	PRESENT
2	Dr S Manivannan	PRESENT	PRESENT	PRESENT	PRESENT
3	Dr D Senguttuvan	PRESENT	PRESENT	PRESENT	PRESENT
4	Dr T Senthil Kumar	PRESENT	PRESENT	PRESENT	PRESENT
5	CA S Chenthilkumar	PRESENT	PRESENT	PRESENT	PRESENT
6	Mr A Krishnamoorthy	PRESENT	PRESENT	PRESENT	PRESENT
7	Mr N Bala Baskar	PRESENT	PRESENT	PRESENT	PRESENT
8	Mrs N Jeyanthei	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:

- Accounting
- Finance
- Law
- Business Management
- Operations
- Risk Management
- Fund Management
- General Administration
- 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	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.

No, Independent Director has resigned before the expiry of his/her tenure during FY 2022-23.

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 Chenthilkumar	Chairman
Mr A Krishnamoorthy	Member
Mr N Bala Baskar	Member
Dr S Manivannan	Member

During the financial year 2022-23 the Audit Committee met as per the details given hereunder -

S. NO.	NAME OF THE DIRECTOR	30-May-22	12-Aug-22	11-Nov-22	14-Feb-23
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

- 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;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon; before submission to the Board for approval, with particular reference to:
 - 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.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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 Chentilkumar	Member
Mr N Bala Baskar	Member

During the financial year 2022-23 the Nomination and Remuneration Committee met on 30th May, 2022 and 12th August, 2022 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.

Performance evaluation criteria for independent directors

The performance evaluation of Independent Directors was completed. The Board of Directors have expressed their satisfaction with the outcome of the evaluation process. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

14. 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 Sushma K is the Company Secretary & Compliance Officer of the Company.

The total number of complaints received during the financial year 2022 - 23 is categorized as under:

Number of shareholders' complaints as on April 01, 2022	0
Number of shareholders' complaints received during the year	11
Number of Complaints resolved during the year	11
Number of Complaints not resolved during the year	0
Number of Complaints pending as on March 31, 2023	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 2022-23 on 30th May 2022, 12th August 2022, 11th November 2022 & 14th February 2023 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.

15. RISK MANAGEMENT COMMITTEE

The constitution of Risk Management Committee is as follows:

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

Brief description of terms of reference

- To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the financial year 2022-23 the Risk Management Committee met on 12th August, 2022 and 31st January 2023 and all the members were present.

16. 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 2022-23 the Corporate Social Responsibility Committee met on 30th May 2022 and 12th August, 2022 and all the members were present.

17. 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.

18. 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

- 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.

- 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.
- 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.
- 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.

5. 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 2022-23, the sitting fees paid to independent directors were as under:

S. No.	NAME OF THE DIRECTOR	SITTING FEES PAID (In Rupees)	OTHERS	TOTAL (In Rupees)
1	CA S Chenthilkumar	Rs. 1,80,000	-	Rs. 1,80,000
2	Mr A Krishnamoorthy	Rs. 2,40,000	-	Rs. 2,40,000
3	Mr N Bala Baskar	Rs. 1,80,000	-	Rs. 1,80,000
4	Mrs N Jeyanthei	Rs. 90,000	-	Rs. 90,000

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	48,60,000/-	-	42,20,368	-	-	90,80,368/-

6. 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.

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
2021 - 2022	27.09.2022	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	10.30 AM
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

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

39th Annual General Meeting held for the year 2021-22 on 27th September 2022

- a. Special Resolution was passed for the re-appointment of Mrs Jeyanthei Narayanasami (DIN: 07143462) as Independent Director of the Company for a second term (Next term period: 30th August 2023 to 29th August 2028).

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

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

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

III. Extraordinary General Meeting

No Extraordinary General Meeting of the members was held during the year 2022-23.

IV. Postal Ballot

No Resolution has been passed through Postal Ballot during the year 2022-23.

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 31st January, 2023 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, 2023.

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#>

No personnel has been 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, 2023, 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 Newspaper ("Business Standard") and Tamil Newspaper ("Malai Malar") 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 31.03.2023 IS AS FOLLOWS:

Pattern of Holding Equity Shares	No. of Share Holders	No. of Shares	% of Holding to Total No. of Shares
1 - 5000	79037	14634908	8.9737
5001 - 10000	230	1668305	1.0229
10001 - 20000	114	1572676	0.9643
20001 - 30000	42	1022359	0.6268
30001 - 40000	8	272430	0.1670
40001 - 50000	9	421482	0.2584
50001 - 100000	23	1608241	0.9861
Above 100000	38	141884599	87.0003
TOTAL	79501	163085000	100.00

23. GENERAL SHAREHOLDER INFORMATION:

(i) Annual General Meeting Date, Time and Venue of the 40th Annual General Meeting

The Date, Time and Venue of the 40th Annual General Meeting shall be held on Wednesday, the 27th day of September, 2023, 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 2023-24 (as amended from time to time)

Financial year	April 1, 2023 to March 31, 2024
First quarter results	On or before August 14, 2023
Second quarter results	On or before November 14, 2023
Third quarter results	On or before February 14, 2024
Fourth quarter and Annual Results	On or before May 30, 2024

(iii) Date of book closure

The books shall be closed from 21st September, 2023 to 27th September, 2023 (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 2022-23.

(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, 2023 (last trading day of the year) was Rs. 57.54 on BSE.

Monthly share price movement during the financial year 2022-23.

<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-22	72.00	55.50	17,18,668	60,845.10	56,009.07
May-22	66.50	54.25	8,38,516	57,184.21	52,632.48
June-22	62.20	50.00	7,45,487	56,432.65	50,921.22
July-22	58.40	54.10	5,22,693	57,619.27	52,094.25
August-22	61.45	51.45	11,39,975	60,411.20	57,367.47
September-22	69.00	55.30	25,25,453	60,676.12	56,147.23
October-22	70.55	60.95	11,15,288	60,786.70	56,683.40
November-22	68.80	61.00	8,92,620	63,303.01	60,425.47
December-22	73.00	61.85	18,21,488	63,583.07	59,754.10
January-23	67.20	53.65	7,10,802	61,343.96	58,699.20
February-23	63.50	52.00	7,13,705	61,682.25	58,795.97
March-23	69.75	56.20	9,13,159	60,498.48	57,084.91

(vi) Dematerialization of shares and liquidity

Shares comprising of 94.19% of the Paid-up Capital have been dematerialized as on 31.03.2023

(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

(viii) Share Transfer System

The share transfer activities are carried out by our Registrar & Transfer Agent, the details of which are given above. Pursuant to Regulation 40 (1) of Listing Regulations, effective from April 01, 2019, transfer of shares in physical mode has been discontinued and accordingly the Company has not processed transfer of shares in physical mode from the time the said Regulation was applicable, and all the transfer of shares would be carried out only in dematerialized form by the respective Depository Participants of the shareholders.

On a yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practicing Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

24. INFORMATION TO SHAREHOLDERS:

It is brought to the kind notice of the shareholders that SEBI vide its Circular dated January 05, 2023, had specified relaxations to companies from dispatching physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) to the shareholders, for the Annual General Meetings (AGMs) conducted till September 30, 2023.

Further, pursuant to SEBI circular dated March 16, 2023, the members holding securities in physical form are required to 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 October 01, 2023, shall be frozen by the RTA. The SEBI circular dated March 16, 2023 has been updated on the website of the company at the following weblink:- <http://www.kauveryhospital.com/investors>

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.

25. 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.

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

The Company does not have any foreign exchange transactions except foreign exchange outgo of Rs. 10.23 lakhs in the FY 2022-23. The Company does not have hedging activities and hence this provision is not applicable during the financial year.

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

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

28. 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.

29. 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 & CFO 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 the 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 the SEBI (Prohibition of Insider Trading) Regulations, 2015.

30. 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#>

31. 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

32. 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 credit rating for its bank facilities of Term Loan of Rs. 97.40 Crores. The credit rating obtained is "BWR BBB+/Stable Reaffirmed" and "BWR BBB+/Stable Assigned" respectively from Brickwork Ratings India Private Limited on 18th October, 2022.

33. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A) OF THE SEBI (LODR) REGULATIONS, 2015.

The Company has not allotted any securities under preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI (LODR) regulations, 2015 and this provision is not applicable during the financial year.

34. 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.

35. 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.

36. 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 |

37. 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.

38. 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.

39. 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.

40. 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

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

Place: Chennai
Date: May 29, 2023

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, 2023 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	27/07/2011 (Re-appointment 13/08/2021)
4	01742558	Mr. Thirunavukkarasu Senthil Kumar	Director	30/05/2008
5	02621693	Mr. Chentilkumar 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)

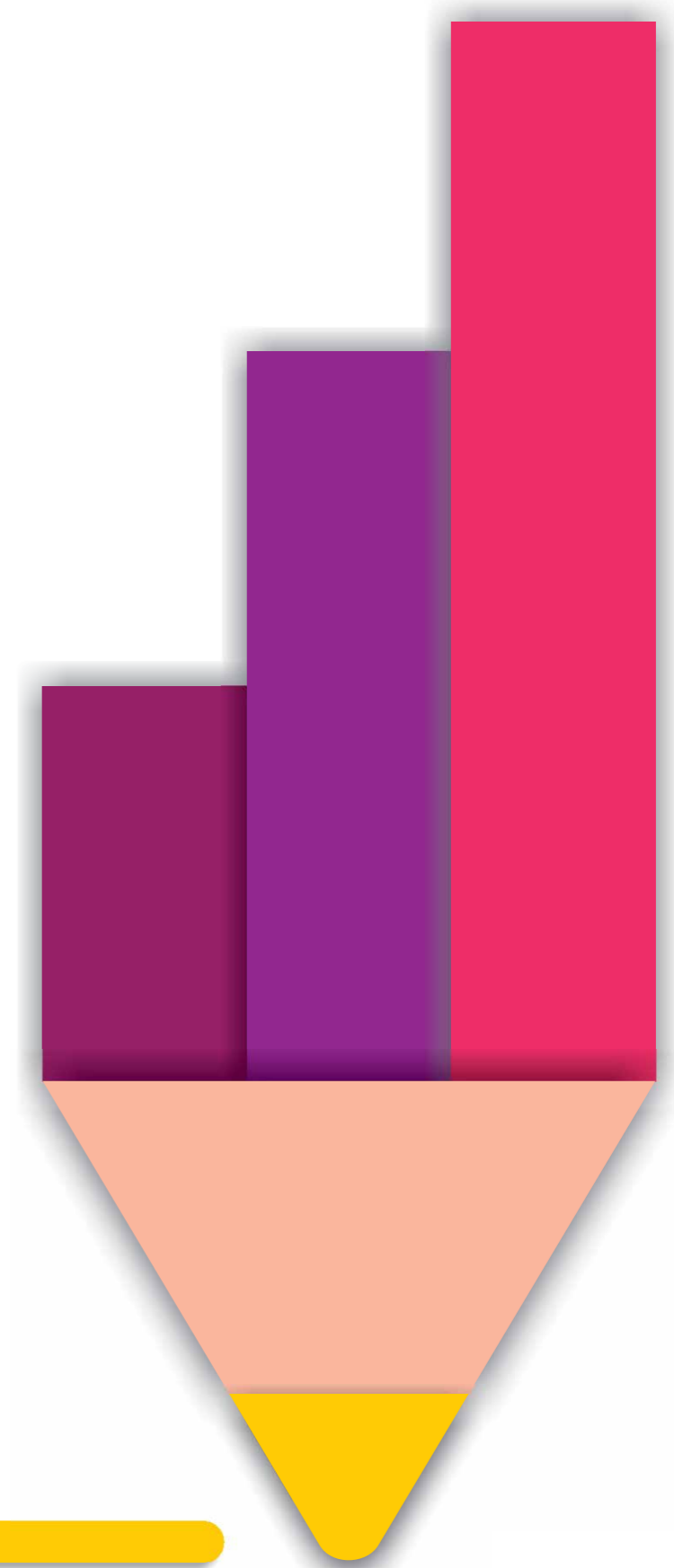
Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company 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: F007488E000355594

Place: Chennai
Date: May 23, 2023

BUSINESS RESPONSIBILITY &
SUSTAINABILITY
REPORT



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Company : L85110TN1982PLC009781
2. Name of the Listed Entity : KMC Speciality Hospitals (India) Limited
3. Year of incorporation : 1982
4. Registered office address : NO 6 Royal Road Cantonment Trichy - 620001
5. Corporate address : NO 6 Royal Road Cantonment Trichy - 620001
6. E-mail : corporatecompliance@kauveryhospital.com
7. Telephone : 0431-4077777
8. Website : www.kauveryhospital.com
9. Financial year for which reporting is being done : 2022-2023
10. Name of the Stock Exchange(s) where shares are listed : BSE Limited
11. Paid-up Capital : Rs. 16,30,85,000/-
12. Name and contact details (telephone, email address) : **Dr S Manivannan,**
of the person who may be contacted in case of any queries on the BRSR report **Email id- corporatecompliance@kauveryhospital.com**
PH-0431- 4022525
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) : **Standalone**

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Hospital and Medical Care	Hospital Activities	100%

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

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1	Health Care services & Pharmacy	8610	100%

III. Operations

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

Location	Number of plants	Number of operational location/offices	Total
National	0	1 (Trichy, Tamil Nadu)	1
International	---NIL---		

17. Markets served by the entity:

- a. Number of locations

Locations	Number
National (No. of States)	1 (Trichy, Tamil Nadu)
International (No. of Countries)	NIL

- b. What is the contribution of exports as a percentage of the total turnover of the entity? **Nil**

- c. A brief on types of customers - **Patients requiring medical assistance and healthcare treatment**

IV. Employees

18. Details as at the end of Financial Year: (2022-2023)

- a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1043	259	25%	784	75%
2.	Other than Permanent (E)	110	26	24%	84	76%
3.	Total employees (D+E)	1153	285	25%	868	75%
WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F+G)	-	-	-	-	-

b. Differently abled Employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	4	4	100%	0	0%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D+E)	4	4	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F+G)	-	-	-	-	-

19. Participation / Inclusion / Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	13%
Key Management Personnel	5	1	20%

20. Turnover rate for permanent employees and workers:

(Disclose of trends for the past 3 years)

	FY 2022-2023 (Turnover rate in current FY)			FY 2021-2022 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28%	8%	36%	27%	7%	34%	28%	8%	36%
Permanent Workers	-	-	-	-	-	-	-	-	-

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

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

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held in listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	SRI KAUVERY MEDICAL CARE (INDIA) LIMITED	Holding	75	Yes

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

- (ii) Turnover (in Rs.) **Rs. 1,36,07,28,000**
- (ii) Networth (in Rs.) **Rs. 86,80,31,000**

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY: 2022-2023 Current Financial Year			FY: 2021-2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	-	-	-	-	-	-	-
Investors (other than shareholders)	https://www.kauveryhospital.com/investors	-	-	-	-	-	-
Shareholders	https://www.kauveryhospital.com/investors	11	0	All complaints were resolved during the year	14	0	All complaints were resolved during the year
Employees and workers	https://www.kauveryhospital.com/investors	0	0	Employees can register their complaints on internal portal, which is not available to general public	0	0	All complaints were resolved during the year
Customers	https://www.kauveryhospital.com	0	0	0	0	0	0
Value Chain Partners	-	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format: **The Company focuses on providing services in safe & sustainable manner. Any material issues pertaining to environmental and social matters that present a risk, if any, shall be considered with high priority.**

S.No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
NIL					

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes

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

No.	Policy and Management	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	www.kauveryhospital.com/investor#								
2	Whether the entity has translated the policy into procedures. (Yes /No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4	Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fair trade, Rainforest Alliance, Trustea) standards (e.g. SA8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	KMC Specialty Hospitals (India) Limited confirms the following standards: 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								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Not Applicable								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons incase the same are not met.	Not Applicable								

Governance, leadership and oversight

7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) - Environmental Sustainability, Social Sustainability, Economic Sustainability, and Governance. As a socially responsible company, we are running various CSR programs for the welfare of the society who do not have access to quality health. Ensuring sustainable economic growth and effective governance to uphold accountability to these commitments and proper alignment between our business and social purposes.
8	Details of the highest authority responsible for implementation and over sight of the Business Responsibility policy (ies).

S.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

9	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Business Responsibility performance is reviewed as a part of the ongoing business review by the Management. The Board of Directors of the Company has constituted a Risk Management Committee to assist the Board to monitor various aspects of Environmental, Social & Governance responsibilities of the Company.
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10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Business Responsibility performance is reviewed as a part of the ongoing business review by the Management. The Board/committee assess the BR performance annually.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliances with applicable Regulation.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
All the policies are formulated and reviewed with the various stakeholders of the Company.								

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

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	5	Periodic Regulatory Updates	100%
Key Managerial Personnel	5	Periodic Regulatory Updates	100%
Employees other than BoD and KMPs	12	Safety & Skill up – gradation training	Skill up-gradation training Permanent Employees: 95% Permanent Women Employees: 94%; Casual / Temporary / Contractual Employees: 90%;
Workers	NA	NA	NA

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			NIL		
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment			NIL		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
NIL	NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. **Yes. www.kauveryhospital.com/investor#**
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directors	NIL	
KMPs		
Employees		
Workers		

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

	FY 2022-2023 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.
Not applicable

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

Essential Indicators

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

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R & D	NIL	NIL	NIL
Capex	NIL	NIL	NIL

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
b. If yes, what percentage of inputs were sourced sustainably?

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, 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.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

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.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	259	259	100%	259	100%	NA	NA	259	100%	-	-
Female	784	784	100%	784	100%	784	100%	NA	NA	-	-
Total											
Other than Permanent employees											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-2023 Current Financial Year			Maternity benefits Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI	86%	NA	Yes	84%	NA	Yes
Others - please specify	-	-	-	-	-	-

3. Accessibility of workplaces

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

Yes, the entity has accessibility for the disabled staff at the Entry & Exit with wheel chair provisions and also have ramps and lifts for their movement

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the entity has the equal opportunity policy that is linked with our intranet which is accessible for all employees exclusively.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	66.66%	33.33%	NIL	NIL
Total	66.66%	33.33%	-	-

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

The entity has an open grievance redressal system which is available online. Any employee can register their grievance in the space allocated in intranet with their employee number. All accumulated grievances are handled by top management on daily basis by a separate grievance redressal team. Day to day, team analyses the grievances and resolves the grievances. Also once the grievance is resolved the team ensures that it is communicated to the concerned employee who raised the grievance.*

Gender	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Not applicable
Other than Permanent Workers	
Permanent Employees	YES*
Other than Permanent Employees	Not applicable

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: **Employees are not associated with any Trade Unions.**

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	NIL					
- Male						
- Female						
Total Permanent Employees						
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2022-2023 (Current Financial Year)					FY 2021-2022 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	259	259	100%	-	-	233	233	100%	-	-
Female	784	784	100%	-	-	607	607	100%	-	-
Total	1043	1043	100%	-	-	840	840	100%	-	-
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	259	259	100%	233	233	100%
Female	784	784	100%	607	607	100%
Total	1043	1043	100%	840	840	100%
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	-	-	-	-	-	-

10. Health and safety management system:

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

Yes, The entity conducts regular audit on amenity risk and takes sufficient risk notification measures.

For Example: For Fire Safety, trainings being done along with fire drills twice a year.

Sufficient safety measures put in place for handling O2 cylinders. Staff are being trained regularly as per calendar on handling hazardous materials in the hospital.

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

A dedicated Quality Central Team at the entity does a regular risk audit and provides reports. Based on the risk, sufficient measures are taken to handle the risk. Employees are also informed to alert the management, if any risk arises.

Preventive rounds assessment done by maintenance team, floor rounds done by infection control nurse. In general, safety officer will ensure the process of general safety precaution in all fields

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) **Not Applicable**

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

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-2023 Current Financial Year	FY 2021-2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

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

The company has taken the following measures to ensure a safe & healthy workplace:

- Educate employees on occupational hazards
- Tracking the employee health data and follow up
- Provides healthy food to all staff

13. Number of Complaints on the following made by employees and workers:

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions			NIL			
Health & Safety			NIL			

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% NABH , PCB
Working Conditions	100% NABH , PCB

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

No such incidents

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

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.
Internal and external group of stakeholders have been identified. This includes Employees, Shareholders & Investors, Customers, and Vendors
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as marginalized & vulnerable group (yes/no)	Channels of communication	Frequency of engagement (Annual/Half year/Quarterly/Others)	Purpose & scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails	As and when required	To maintain employee connect
Vendors	No	Emails	As and when required	Business
Customers	No	Emails/Website	Ongoing	Patient Feedback
Shareholders	No	Newspaper/Website/ Meetings	Annual/Half year/ Quarterly	Various Corporate Announcements

Principle 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1043	1043	100%	840	840	100%
Other than permanent	110	110	100%	143	143	100%
Total Employees	1153	1153	100%	983	983	100%
Workers						
Permanent	NA					
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-2023 (Current Financial Year)					FY 2021-2022 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1043	-	-	1043	100%	840	-	-	840	100%
Male	259	-	-	259	100%	233	-	-	233	100%
Female	784	-	-	784	100%	607	-	-	607	100%
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	5,91,567	NIL	NIL
Key Managerial Personnel	4	6,05,958	1	55,127
Employees other than BoD and KMP	255	26,275	783	14,123
Workers	NIL	NIL	NIL	NIL

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

Yes, Company has Grievance Policy to develop and maintain an effective, timely, fair and equitable grievance handling system which is easily accessible to all employees of the entity. A Code of Conduct that outlines the norms, employee responsibilities and acceptable employee conduct has also been formalized and compliance with the same is mandatory for all employees.

There are various committees responsible for human rights impacts and issues.

There is zero tolerance for sexual harassment at workplace.

A specific committee constituted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to handle any complaints or concerns with respect to sexual harassment has also been established .

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

Company has a grievance policy in place to redress grievances related to human rights.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Employees						
Sexual Harassment	NIL		-	NIL		-
Discrimination at workplace	The Company is not into the business of manufacturing activity and hence not required to employ any workers					
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

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

The Company is committed to prohibiting discrimination, retaliation or harassment of any kind against any employee who reports under the Vigil Mechanism or participates in the investigation.

8. Do human rights requirements form part of your business agreements and contracts? **(Yes/No)**

Yes, the Company has specific clauses with respect to human rights requirements as part of the Code of Conduct included in the business agreements.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others – please specify	NIL

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

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total electricity consumption (A)	6.17J	9.15J
Total fuel consumption (B)	1.71J	2.31J
Energy consumption through other sources (C)	2.23J	1.50J
Total energy consumption (A+B+C)	10.11	12.96
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	1.8	1.8
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No independent assessment/ evaluation/assurance has been carried out.**

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

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

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	60630	63452
(iii) Third party water	653	724
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	61283	64176
Total volume of water consumption (in kilolitres)	60854	60082
Water intensity per rupee of turnover (Water consumed / turnover)	4.5	2.7
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No independent assessment/ evaluation/assurance has been carried out.**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation - **As the part of water conservative initiatives, domestic waste water generated from the hospital is recycled in ETP Plant and it is being discarded in outlet corporation.**

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

Parameter	Please specify unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
NOx		The Company is not into any manufacturing activity, and hence there is no emission of hazardous pollutants. There is normal consumption of energy by way of usage of air conditioners and electrical fixtures in stores and offices.	
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No independent assessment/ evaluation/assurance has been carried out.**

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

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	The Company is not into any manufacturing activity, and hence there is no emission of hazardous pollutants.	The Company is not into any Manufacturing activity, and hence there is no emission of hazardous pollutants.
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No independent assessment/ evaluation/assurance has been carried out.**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. **NIL**

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

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	19.426	93.086
E-waste (B)	NA	NA
Bio-medical waste (C)	134.74	113.43
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	154.16	206.52
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	NA	NA
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
Total	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. **No independent assessment/ evaluation/assurance has been carried out.**

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

The Entity generates biomedical waste and has in place an effective management system of segregation and identification by sorting into multiple categories including medical, general, recycled and food waste. Environment awareness campaigns, training and monthly monitoring of hazardous & non hazardous waste are being carried out. Usage of Mercury related equipment has been stopped.

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

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1.			NA
2.			NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: **Not Applicable**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format: **Yes. The Company is in compliance with applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA				
NA				

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

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.- **6**
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	National Human Resources	National
2	BB Forum	State
3	Madras Management Association	State
4	Confederation of Indian Industry (CII)	National

5	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
6	Tamilnadu Chamber of Commerce and Industry (TCCI)	State

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

There is no action taken or underway against the Company on any issues related to anti-competitive conduct.

Name of authority	Brief of the case	Corrective action taken
NIL		

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. **The Company has not done any impact analysis to assess the impact of the initiatives.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether Results conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.
The Company has processes in place to receive and redress concerns/grievances received from the employees and other stakeholders
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	37%	44%
Sourced directly from within the district and neighbouring districts	100%	100%

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

Essential Indicators

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

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NIL
Safe and responsible usage	NIL
Recycling and/or safe disposal	NIL

3. Number of consumer complaints in respect of the following :

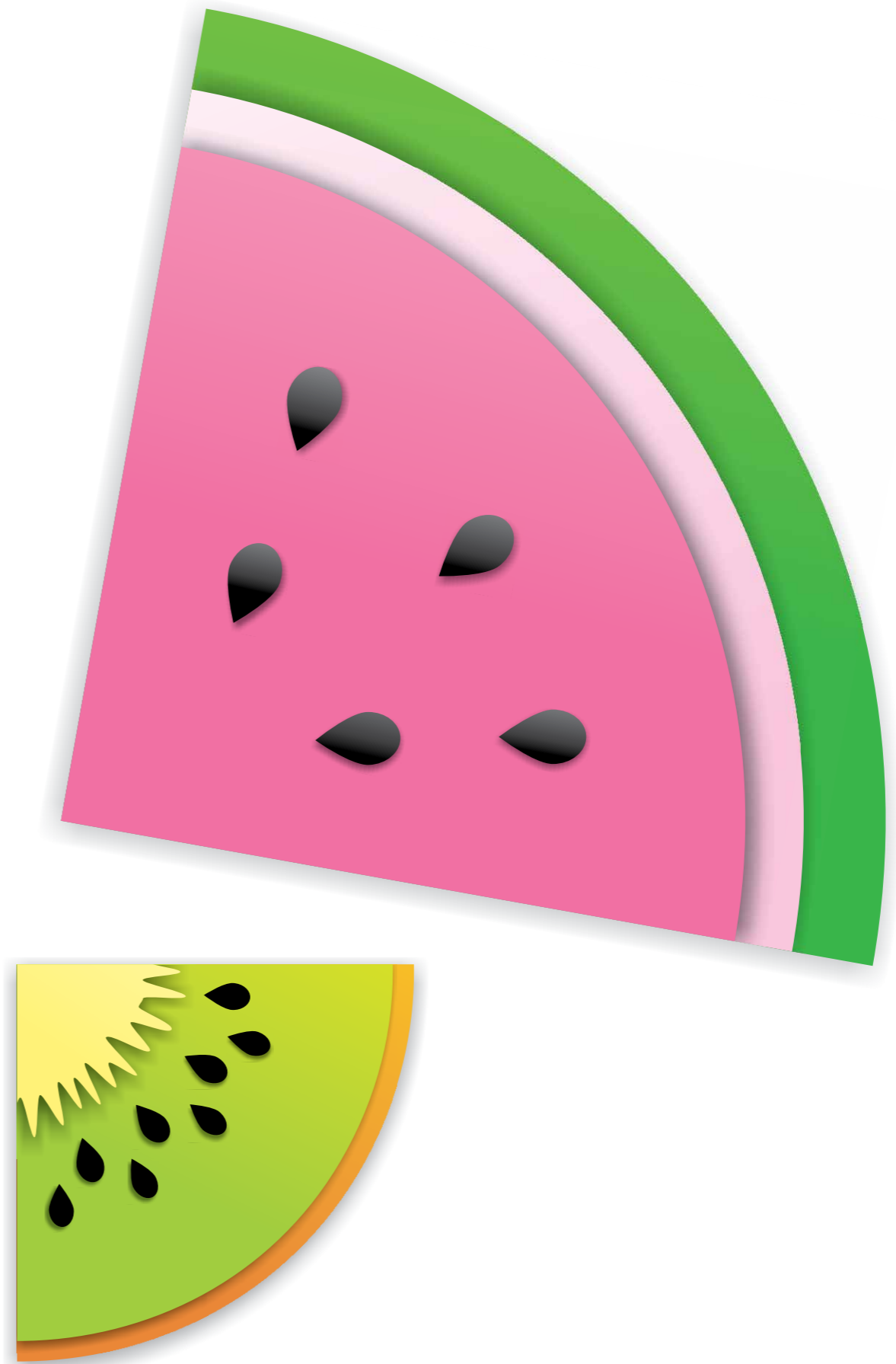
	FY 2022-2023 (Current Financial Year)		Remarks	FY 2021-2022 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NIL	0	0	NIL
Advertising	0	0	NIL	0	0	NIL
Cyber-security	0	0	NIL	0	0	NIL
Delivery of essential services	11373	0	NIL	9451	0	NIL
Restrictive Trade Practices	0	0	NIL	0	0	NIL
Unfair Trade Practices	0	0	NIL	0	0	NIL
Other	0	0	NIL	0	0	NIL

4. Details of instances of product recalls on account of safety issues: **Not Applicable**

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. **Yes, <https://www.kauveryhospital.com/investors>**
6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. **Not Applicable**

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 2023, 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 2023, and its profits, 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 (SAs) specified under section 143(10) of the Act. 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 judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our 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.

Responsibilities of Management and Those Charged with Governance 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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:

- 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.
- 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 book.
- 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 books of account.
- In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, 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 with reference to financial statements.
- 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.
- 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:
 - The Company does not have any pending litigations which would impact its financial position;
 - 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.

- The Management has represented that, to the best of it's knowledge and belief, no funds 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.
- The Management has represented, that, to the best of it's knowledge and belief, no funds 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.
- Based on the audit procedures performed that have 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.
- 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
UDIN: 23209252BGXMKY8681

Place: Chennai

Date: 29 May 2023

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 with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of **KMC Speciality Hospitals (India) Limited** (“the Company”) as of 31 March 2023 in conjunction with our audit of the Ind AS 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 with reference to financial statements based on the internal control with reference to financial statements 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 respective 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 with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2023, based on the criteria for internal financial control with reference to financial statements 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
UDIN: 23209252BGXMKY8681

Place: Chennai

Date: 29 May 2023

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 all the 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 due for verification during the year and 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 2023 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 not made any investments in, provided any 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 provided guarantee to companies during the year, in respect of which:
- (a) (a) The Company has not provided any loans or advances in the nature of loans or provided security to any other entity during the year.

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

Particulars	Guarantee (In Lakhs)
A. Aggregate amount granted/ provided during the year:	-
- Others	18,000.00
B. Balance outstanding as at Balance Sheet Date in respect of above cases:*	-
- Others	4,218.43

*The amounts reported are at gross amounts, without considering provisions made

- (b) The guarantees provided and the terms and conditions of 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 loans or 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 given, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government 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 by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) 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 2023 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 2023.
- (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 wilful 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 does 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 December 2023 and the draft internal audit reports issued after the balance sheet date covering the period 1 January 2023 to 31 March 2023 for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or persons connected with such 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.

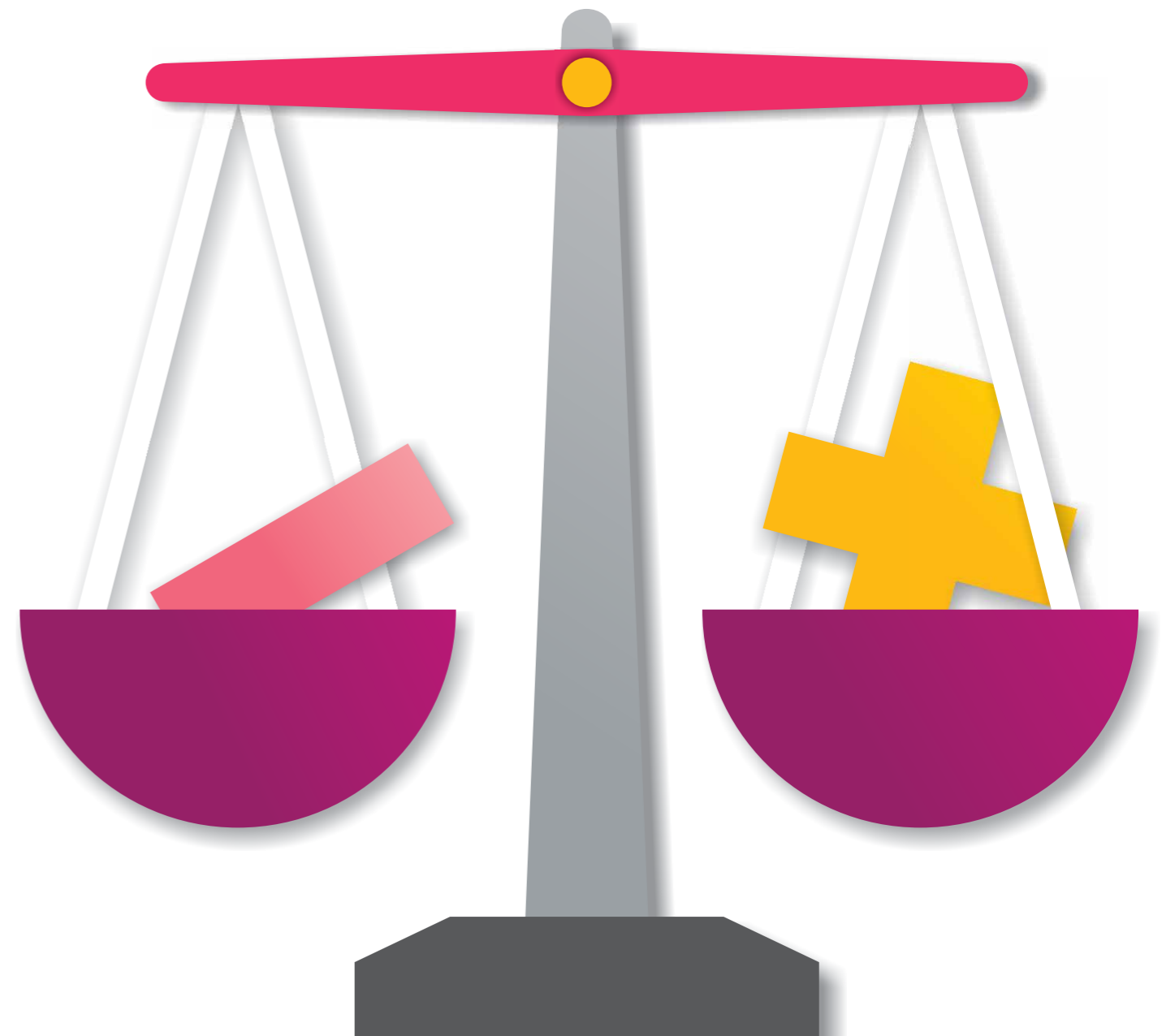
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of 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
UDIN: 23209252BGXMKY8681

Place: Chennai
Date: 29 May 2023

BALANCE SHEET



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Balance sheet as at March 31, 2023

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

ASSETS	Note	As at March 31, 2023	As at March 31, 2022
Non-current assets			
Property, plant and equipment	4	7,835.67	7,253.06
Right-of-Use-Assets	5	512.66	167.92
Capital work-in-progress	4	3,403.71	564.36
Investment property	6	40.43	40.43
Other Intangible assets	7	38.67	80.36
Financial assets			
Investments	8	0.38	0.38
Other financial assets	9	177.30	108.28
Deferred tax asset (net)	10	66.62	-
Income tax assets (net)	11	155.20	236.84
Other non-current assets	12	748.91	176.97
Total non-current assets		12,979.55	8,628.60
Current assets			
Inventories	13	227.39	187.23
Financial assets			
Trade receivables	14	437.36	353.79
Cash and cash equivalents	15	183.71	166.68
Bank balances other than above	16	3,695.35	3,149.38
Loans	17	17.58	12.72
Other financial assets	9	441.32	262.99
Other current assets	12	183.07	114.96
Total current assets		5,185.78	4,247.75
Total assets		18,165.33	12,876.35
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,630.85	1,630.85
Other equity	19	9,719.36	7,049.46
Total equity		11,350.21	8,680.31
Non-current Liabilities			
Financial Liabilities			
Borrowings	22	3,986.96	1,960.60
Lease Liabilities	23	456.13	154.48
Provisions	24	109.72	113.91
Deferred tax liabilities (Net)	10	-	5.97
Other Non current liabilities	25	8.02	10.52
Total non current liabilities		4,560.83	2,245.48

Current liabilities

Financial Liabilities

Borrowings	22	463.27	727.41
Lease Liabilities	23	88.10	35.77
Trade payables			
- Total outstanding dues of micro and small enterprises	26	4.13	5.72
- Total outstanding dues of creditors other than micro and small enterprises	26	637.30	534.82
Other financial liabilities	27	456.66	209.45
Other current liabilities	25	315.92	229.21
Provisions	24	288.91	208.18

Total current liabilities

2,254.29 **1,950.56**

Total liabilities

6,815.12 **4,196.04**

Total equity and liabilities

18,165.33 **12,876.35**

See accompanying notes forming part of the financial statements
In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amarnath
Partner

Place : Chennai
Date : May 29, 2023

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 29, 2023

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

Sushma K
Company Secretary

STATEMENT OF PROFIT & LOSS



KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Statement of profit and loss for the year ended March 31, 2023

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

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	29	15,575.64	13,607.28
Other income	30	312.86	214.69
Total Income		15,888.50	13,821.97
Expenses			
Cost of materials consumed	31	288.28	266.71
Purchases of Stock-in-Trade	32	2,039.92	1,790.73
Changes in inventories of Stock-in-trade	33	(31.31)	(1.64)
Employee benefits expense	34	3,120.45	2,712.90
Finance costs	35	81.10	69.58
Depreciation and amortisation expense	36	764.22	652.70
Other expenses	37	6,026.81	5,121.18
Total Expenses		12,289.47	10,612.16
Profit before tax		3,599.03	3,209.81
Tax expense			
	10		
Current tax - Current Year		989.38	841.43
Current tax - Prior year		13.76	39.03
Deferred tax		(72.95)	(43.23)
Total tax expense		930.19	837.23
Profit for the year		2,668.84	2,372.58
Other comprehensive income			
	11		
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit plans		1.42	(33.23)
Income tax effect		(0.36)	8.36
Total other comprehensive (loss)/income, net of tax		1.06	(24.87)
Total comprehensive income for the year		2,669.90	2,347.71
Earnings per share			
Basic and Diluted	21	1.64	1.45

See accompanying notes forming part of the financial statements
In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amarnath
Partner
Membership No. 209252

Place : Chennai
Date : May 29, 2023

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

Dr S Manivannan
Managing Director
DIN : 00910804

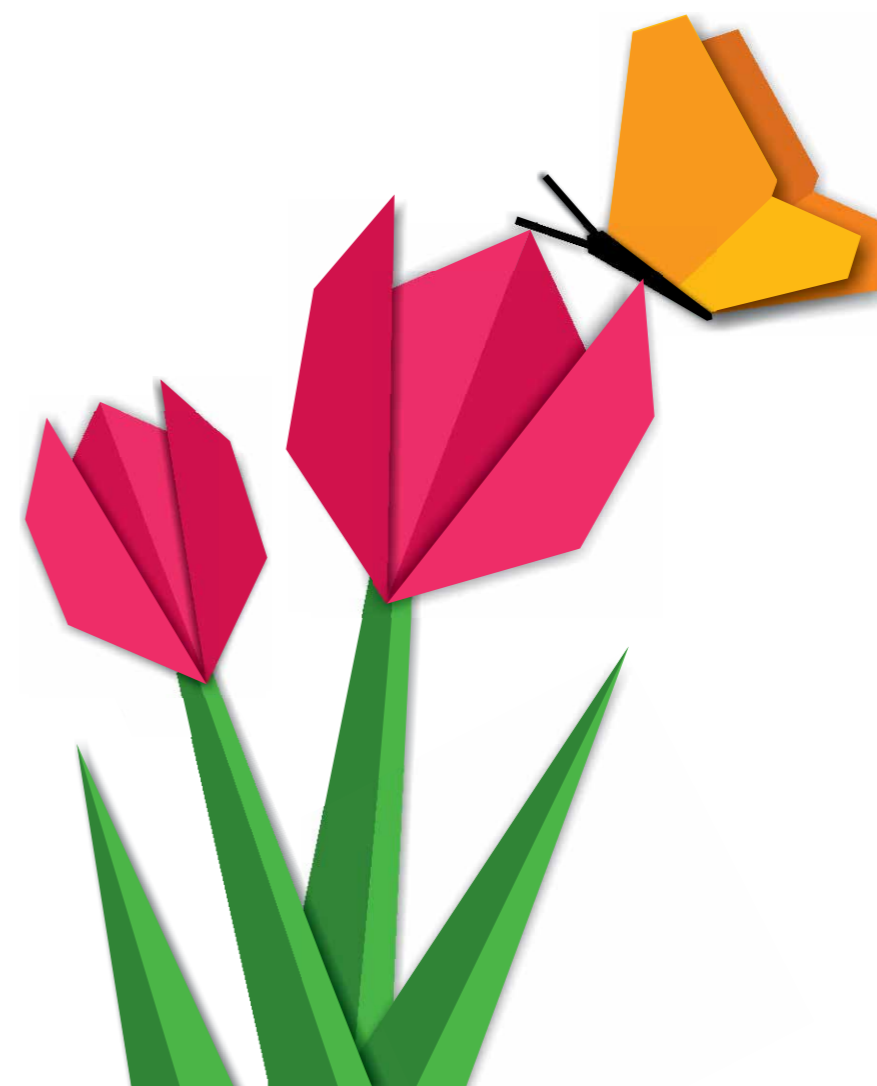
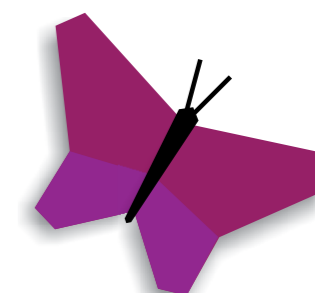
Dr S Chandrakumar
Executive Chairman
(Whole-Time)
DIN : 01867847

K. Anand Babu
Chief Financial Officer

Sushma K
Company Secretary

Place : Chennai
Date : May 29, 2023


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hospital



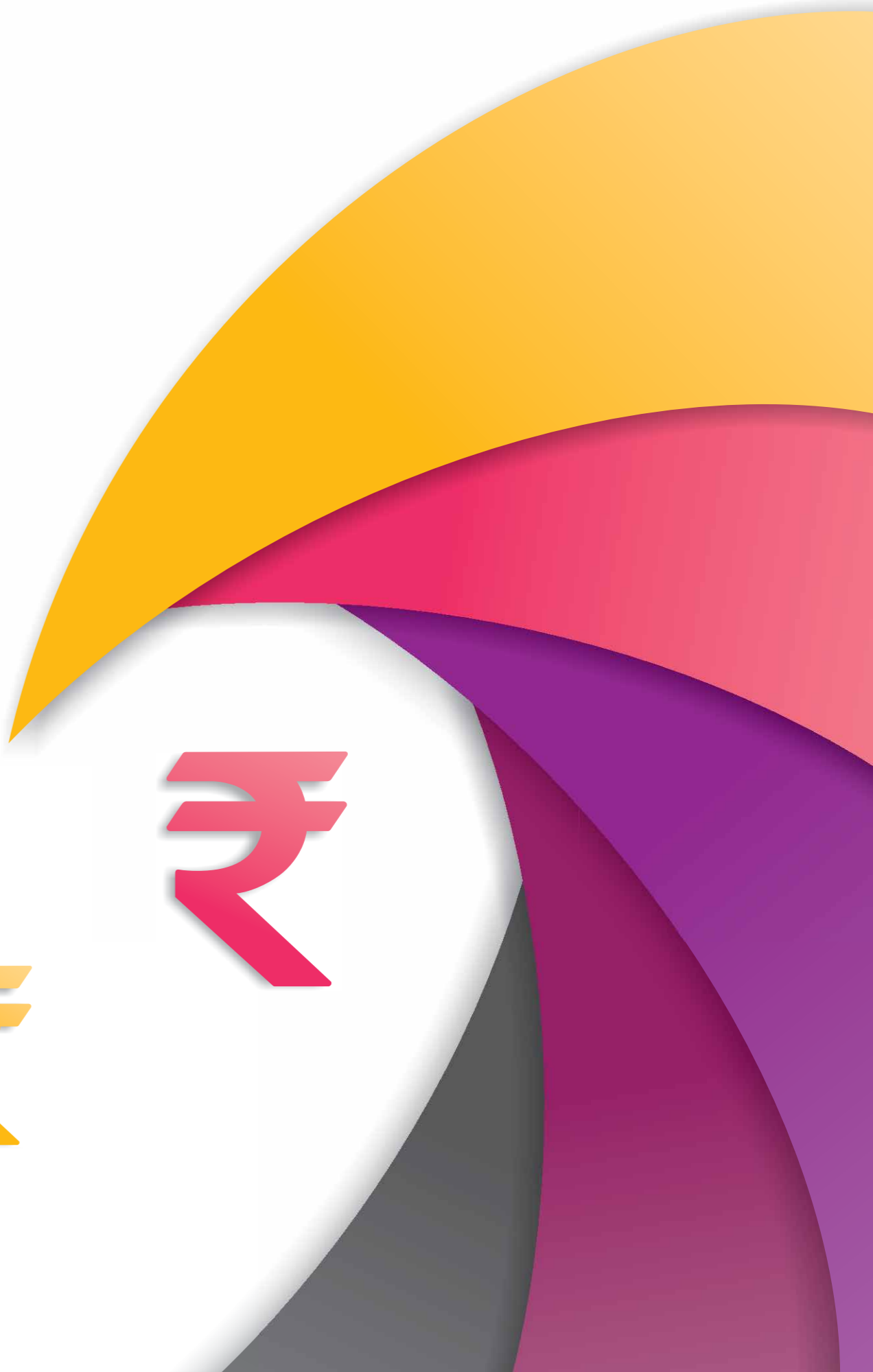
CASH FLOW STATEMENT

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Cash flow statement for the year ended March 31, 2023

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

	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flows from operating activities		
Profit before tax for the year	2,668.84	2,372.58
Adjustments:		
Depreciation and amortisation	764.22	652.70
Income tax expense	930.19	837.23
Provision for loss allowance	47.47	45.31
Finance costs	81.10	69.58
Interest income from banks	(176.66)	(121.08)
Interest income from others	-	(3.46)
(Profit)/Loss on sale of property, plant and equipment (net)	9.29	(2.90)
Operating Profit Before Working Capital / Other Changes	4,324.45	3,849.96
Adjustment for (increase)/decrease in operating assets		
Inventories	(40.16)	(12.00)
Trade receivables	(131.04)	(143.65)
Other financial assets and other assets -Non-current	(58.37)	(20.20)
Other financial assets and other assets-Current	(240.89)	51.26
Adjustment for increase/ (decrease) in operating liabilities		
Trade payables	101.72	19.74
Liabilities and provisions	198.34	81.87
Cash generated from operations	4,154.05	3,826.98
Direct Taxes Paid (net)	(921.49)	(915.46)
Net cash flow from/(used in) Operating activities(A)	3,232.56	2,911.52
B Cash flow from investing activities		
Acquisition of property, plant and equipment (including capital advances, net of capital creditors)	(4,411.44)	(1,347.51)
Proceeds from Sale of assets	1.01	6.55
Bank deposits (having original maturity of more than three months)	(555.17)	(1,604.75)
Interest income from banks	166.24	91.39
Interest income from others	-	3.46
Net cash (used in) investing activities (B)	(4,799.36)	(2,850.86)
C Cash flow from financing activities		
Proceeds from long term borrowings	1,913.88	134.49
Repayment of long term borrowings	(151.66)	(140.67)
Payment of Lease Liabilities	(125.39)	(50.58)
Interest and finance charges paid	(53.00)	(50.00)
Net cash (used in) / from financing activities (C)	1,583.83	(106.76)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	17.03	(46.10)
Cash and cash equivalents at the beginning of the year	166.68	212.78
Cash and cash equivalents at the end of the year	183.71	166.68
	As at March 31, 2023	As at March 31, 2022
Components of Cash and cash equivalents		
Cash on hand	17.55	14.98
Balances with banks	166.16	151.70
- on current accounts		
	183.71	166.68

Reconciliation of change in liabilities arising from financing activities is given in note 22.4

See accompanying notes forming part of the financial statements

For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amarnath
Partner
Membership No. 209252
Place : Chennai
Date : May 29, 2023

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 29, 2023

Dr S Chandrakumar
Executive Chairman (Whole-Time)
DIN : 01867847
Sushma K
Company Secretary

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Statement of changes in equity for the year ended March 31, 2023

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

	Amount		
a. Equity share capital (Refer note 18)			
Balance as at April 1, 2021			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 the year			-
Balance as at March 31, 2022			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			-
Balance as at March 31, 2023			1,630.85
b. Other equity (Refer Note 19)			
		Reserves and Surplus	
		Retained earnings	Total
		Remeasurement of defined benefit plans*	
Balance as at April 1, 2021	4,745.09	(43.34)	4,701.75
Profit for the year	2,372.58	-	2,372.58
Other comprehensive income (net of tax)	-	(24.87)	(24.87)
Total comprehensive income	2,372.58	(24.87)	2,347.71
Balance as at March 31, 2022	7,117.67	(68.21)	7,049.46
Profit for the year	2,668.84	-	2,668.84
Other comprehensive income (net of tax)	-	1.06	1.06
Total comprehensive income	2,668.84	1.06	2,669.90
Balance as at March 31, 2023	9,786.51	(67.15)	9,719.36

* Items that will not be reclassified to profit and loss

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

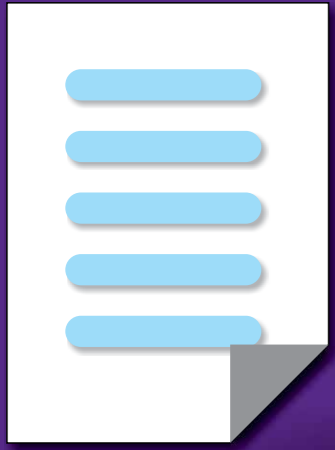
Ananthi Amarnath
Partner
Membership No. 209252

Place : Chennai
Date : May 29, 2023

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
Place : Chennai
Date : May 29, 2023
Sushma K
Company Secretary



NOTES TO THE
FINANCIAL
STATEMENTS

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise 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. Statement of Compliance

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Section 133 of the Companies Act, 2013 (‘the Act’) read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (‘the Rules’) and the relevant amendment rules issued thereafter, pronouncements of regulatory bodies applicable to the Company and other provisions of the Act.

B. Application of new and revised Ind AS

The Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendments Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 - Presentation of financial statements

The amendments specify that Companies should now disclose material accounting policies rather than their significant accounting policies.

Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements.

(ii) Ind AS 8 - Accounting policies, change in accounting estimates and errors

Definition of ‘change in account estimate’ has been replaced by revised definition of ‘accounting estimate’.

- As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty.
- A company develops an accounting estimate to achieve the objective set out by an accounting policy.
- Accounting estimates include:
 - Selection of a measurement technique (estimation or valuation technique)
 - Selecting the inputs to be used when applying the chosen measurement technique.

(iii) Ind AS 12 - Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Company does not expect any of the aforesaid amendments to have any significant impact in its financial statements.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

C. Accounting convention and assumptions

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.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

D. Basis of presentation

The Balance sheet, the Statement of Profit and Loss, and the Statement of Changes in Equity, are presented in the format prescribed under Division II of Schedule III of the Act, as amended from time to time, for Companies that are required to comply with Ind AS. The Statement of Cash Flows has been presented as per the requirements of Ind AS 7 - Statement of Cash Flows.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “0” in the relevant notes in these Financial statements.

E. 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 are in Indian Rupees Lakhs except share data or as stated.

F. 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 is included in the following notes:

- Note 11 – recognition of deferred tax assets/liabilities;
- Note 26 – measurement of defined benefit obligations: key actuarial assumptions;

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

- Notes 39 – recognition and measurement of provisions and contingencies: key assumptions about likelihood and magnitude of an outflow of resources;
- Note 4 – Useful life of Property, Plant and Equipment
- Note 15 – Provision for loss allowance on trade receivables.

G. 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.

H. Operating Cycle

Any asset or liability is classified as current if it satisfies any of the following conditions:

- (i) The asset / liability is expected to be realized / settled in the Company's normal operating cycle;
- (ii) The asset is intended for sale or consumption;
- (iii) The asset / liability is held primarily for the purpose of trading;
- (iv) The asset / liability is expected to be realized / settled within twelve months after the reporting period;
- (v) The asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- (vi) In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization 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.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

3. Significant accounting policies

A. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

(i) Initial recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of profit and loss.

(ii) Subsequent measurement

(1) Financial assets

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in subsidiaries / associates, which are measured at cost.

Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- a) Those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of profit and loss), and
- b) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on these assets that is subsequently measured at amortized cost is recognized in Statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of profit and loss and recognized in other income / (expense).

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the Statement of profit and loss.

Impairment of financial assets

Expected credit loss (ECL) is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls).

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are measured at amortised cost e.g., cash and bank balances, investment in equity instruments of subsidiary companies, trade receivables and loans etc.

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

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

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due as per the ageing brackets;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss. ECL for financial assets measured as at amortized cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the financial statements. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Write off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in Statement of profit and loss.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

(2) Financial liabilities and equity instruments:

Classification as equity or financial liability

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

Financial liabilities at FVTPL

Liabilities that do not meet the criteria for amortized cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the Statement of profit and loss.

(iii) Derecognition

(1) Derecognition of financial assets

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained 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.

(2) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of profit and loss.

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 Statement of profit and loss.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise 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.

B. Foreign currency transactions and translations

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.

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 Statement of profit and loss, except for such exchange differences arising from the translation of specific items which are recognised in OCI, as the case may be.

C. Property, plant and equipment (PPE)

(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 Statement of profit and loss.

(ii) Capital work in progress and Capital advances:

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".

(iii) 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. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

(iv) 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.

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 equipment's	10	10
Electrical installations	5	5
Computers and accessories	3	3
Books	10	10
Furniture, fixtures and fittings	5	5
Vehicles	4	6

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.

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).

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 Statement of profit and 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.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

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.

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

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

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, wherever necessary, based on the past experience and such allowances are adjusted against the carrying inventory value.

G. Impairment of PPE and intangible 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.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

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.

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 Statement of profit and loss in the periods during which the related services are rendered by employees.

(iii) 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 Statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) 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 Statement of profit and loss in the period in which they arise.

(v) 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. Contingent liability and contingent assets

Contingent liability is disclosed for

- (i) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

K. 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.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

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.

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.

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.

L. 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.

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

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

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 elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense over the lease term.

M. Other income

(i) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably.

Interest income or expense is accrued on a time basis, by reference to the principle/outstanding using the effective interest rate applicable.

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.

(ii) Dividend income

Dividend income is recognized when the right to receive the income is established.

N. Income tax

Income tax comprises current and deferred tax. It is recognised in Statement of profit and 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.

(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.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

(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.

O. 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 Statement of profit and loss in the period in which they incurred.

P. Earnings per share

Basic earnings per share is computed by dividing the net profit / (loss) after tax (including the post tax effect of exceptional items, if any) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of exceptional items, if any) for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to financial statements for the year ended March 31, 2023

(All amounts are in Indian Rupees lakhs unless otherwise stated)

number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Q. 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.

R. Cash and cash equivalents

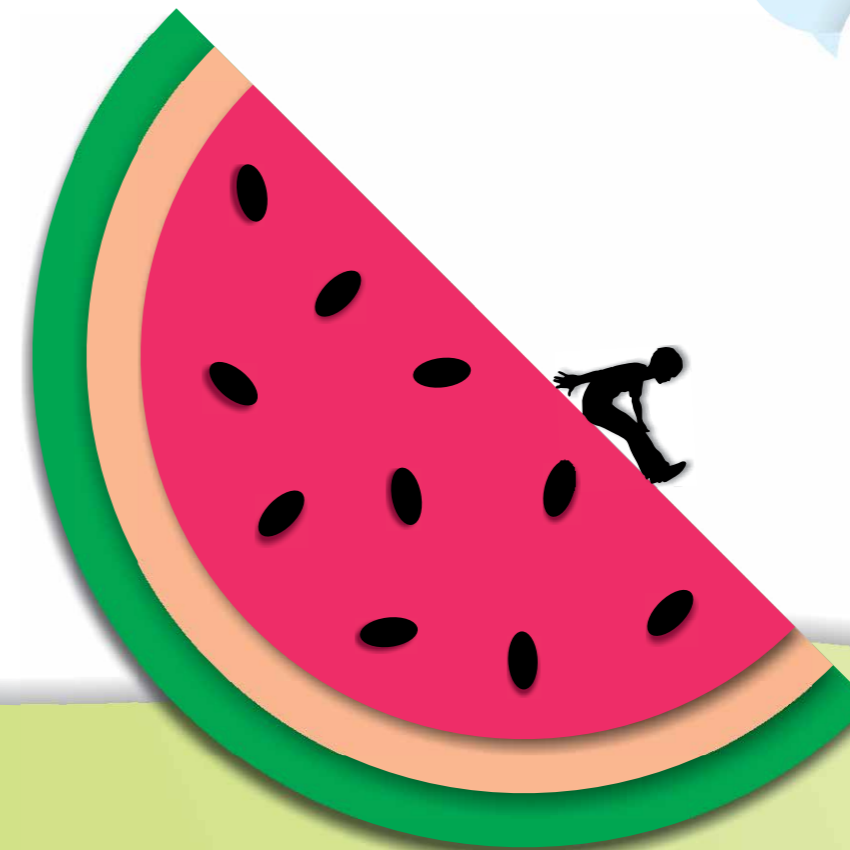
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

S. 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.

T. 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
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STATEMENTS



Notes to the financial statements for the year ended March 31, 2023

4. Property, plant and equipment and Capital work in Progress.

Particulars	Land	Buildings	Leasehold improvements	Surgical and other equipments	Electrical installations	Computers	Books	Furniture and fixtures	Vehicles	Total	Capital Work in Progress
Gross carrying Value											
As at April 1, 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)	-
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
Additions	-	181.47	152.79	432.32	396.55	20.78	-	26.25	49.46	1,259.62	3,010.77
Disposals	-	-	(1.18)	(51.98)	(4.93)	-	-	(0.23)	-	(58.32)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	(171.42)
As at March 31, 2023	3,911.50	1,362.07	782.77	3,271.54	958.25	237.42	0.61	157.36	210.09	10,891.61	3,403.71
ACCUMULATED DEPRECIATION											
As at April 1, 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)	-
Other Adjustment	(0.01)	0.01	(0.01)	0.08	1.97	(0.18)	0.01	1.24	-	3.11	-
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	-
Depreciation for the year	-	40.07	71.03	313.51	139.18	49.91	0.04	18.44	34.53	666.71	-
Disposals	-	-	(1.18)	(42.10)	(4.53)	-	-	(0.21)	-	(48.02)	-
As at March 31, 2023	(0.03)	218.62	596.22	1,435.08	395.55	179.00	0.41	93.22	137.87	3,055.94	-
Net Carrying Value											
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
Balance as at March 31, 2023	3,911.53	1,143.45	186.55	1,836.46	562.70	58.42	0.20	64.14	72.22	7,835.67	3,403.71

4.1 Capital work-in-progress ageing schedule

As at March 31, 2023

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	Total
Projects in Progress	2,839.35	403.01	161.35	3,403.71
As at March 31, 2022				
Projects in Progress	403.01	161.35	-	564.36

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.

4.2 Refer Note 22.2 for Property, Plant & Equipment pledged / hypothecated as securities for borrowings

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

5. Right of Use Asset

Description of Assets	Land	Buildings	Total
I. Gross carrying value			
As at April 01, 2021 (Refer Note 23)	19.68	231.30	250.98
Additions	9.56	1.36	10.92
Disposals / Adjustments during the year	-	-	-
As at March 31, 2022	29.24	232.66	261.90
Additions	-	427.81	427.81
Disposals / Adjustments during the year	-	-	-
As at March 31, 2023	29.24	660.47	689.71
II. Accumulated depreciation			
As at April 01, 2021	1.23	52.77	54.00
Depreciation for the year	5.40	34.58	39.98
Disposals / Adjustments during the year	-	-	-
As at March 31, 2022	6.63	87.35	93.98
Depreciation for the year	5.40	50.42	55.82
Disposals / Adjustments during the year*	-	27.25	27.25
As at March 31, 2023	12.03	165.02	177.05
III. Net Carrying Value			
As at March 31, 2022	22.61	145.31	167.92
As at March 31, 2023	17.21	495.45	512.66

*Adjustment represents amount capitalised during the year amounting to Rs. 27.25 Lakhs . (Year ended March 31, 2022 - Nil)

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KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

6. Investment property

	Land #
A Reconciliation of carrying amount	
Cost	
Balance as at April 1, 2021	40.43
Additions	-
Disposals	-
Balance as at March 31, 2022	40.43
Additions	-
Disposals	-
Balance as at March 31, 2023	40.43
As at March 31, 2022	40.43
As at March 31, 2023	40.43

Investment property represents freehold land in Trichy 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. There were no immovable properties where the title deeds are not held in the name of the Company.

Also refer Note 22.2 for Investment Property pledged / hypothecated as securities for borrowings

B Fair value

As at March 31, 2022	3,560.29
As at March 31, 2023	3,232.32

Fair valuation of Investment property is based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. 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

C Information regarding income and expenditure related to investment property

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Rental income from the investment property	1.44	1.44

7. Other Intangible assets

Particulars	Software
Gross carrying value	
As at April 1, 2021	139.02
Additions	80.79
Disposals	-
As at March 31, 2022	219.81
Additions	-
Disposals	-
As at March 31, 2023	219.81
Accumulated Amortisation	
As at April 1, 2021	89.09
Amortisation for the year	50.37
Deletions	-
Other Adjustment	-0.01
As at March 31, 2022	139.45
Amortisation for the year	41.69
Deletions	-
Other Adjustment	-
As at March 31, 2023	181.14
Net Carrying Value	
As at March 31, 2022	80.36
As at March 31, 2023	38.67

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

8. Non current Investments

	As at March 31, 2023	As at March 31, 2022
Investments in Equity Shares - Others at FVTPL		
Unquoted equity shares		
3,800 (March 31, 2022: 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. Other financial assets		
Non-current		
Security deposits	152.65	94.28
Bank deposits (due to mature after 12 months from the reporting date)	24.65	14.00
	177.30	108.28
Current		
Unbilled revenue	333.88	213.25
Interest accrued on fixed deposits but not due (due to mature within 12 months from the reporting date)	60.15	49.74
Reimbursement receivable from Holding company (Refer note 42)	36.17	-
Reimbursement receivable from fellow Subsidiary (Refer note 42)	11.12	-
	441.32	262.99
Total	618.62	371.27

10 Income tax

A Amounts recognised in statement of profit and loss

	Year ended March 31, 2023	Year ended March 31, 2022
Current tax (a)		
Current period	989.38	841.43
Prior period taxes	13.76	39.03
Deferred tax (b)		
Attributable to -		
Origination and reversal of temporary differences	(72.95)	(43.23)
Tax expense (a) + (b)	930.19	837.23

B Income tax recognised in other comprehensive income

	As at March 31, 2023			As at March 31, 2022		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit liability	1.42	(0.36)	1.06	(33.23)	8.36	(24.87)

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

C Reconciliation of effective tax rate

	Year ended March 31, 2023		Year ended March 31, 2022	
	%	Amount	%	Amount
Profit before tax		3,599.03		3,209.81
Tax using the Company's domestic tax rate	25.17%	905.80	25.17%	808.00
Effect of:				
Prior period taxes	0.38%	13.76	0.00%	-
Expenses not deductible for tax purpose	0.30%	10.63	0.91%	29.23
Others	0.00%	0.00	0.00%	-
Effective tax rate / tax expense	25.85%	930.19	26.08%	837.23

The tax rate used for the aforesaid reconciliation is the corporate tax rate of 25.17% under Section 115BAA of the Income Tax Act, 1961 payable by corporate entities in India.

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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment	-	-	135.27	165.48	(135.27)	(165.48)
Provision for employee benefits	139.13	118.71	-	-	139.13	118.71
Loss allowance on trade receivables	54.81	42.86	-	-	54.81	42.86
Lease liability net of right-of-use assets	7.95	-	-	2.06	7.95	(2.06)
Deferred tax assets/ (liabilities)	201.89	161.57	135.27	167.54	66.62	(5.97)

Movement in temporary differences for the year ended March 31, 2022 and March 31, 2023

	Balance as at April 1, 2021	Recognized in profit and loss during 2021-22	Recognized in OCI during 2021-22	Balance as at March 31, 2022	Recognized in profit and loss during 2022-23	Recognized in OCI during 2022-23	Balance as at March 31, 2023
Property, plant and equipment	(215.00)	49.52	-	(165.48)	30.21	-	(135.27)
Provision for employee benefits	116.78	(6.43)	8.36	118.71	20.78	(0.36)	139.13
Loss allowance on trade receivables	42.18	0.68	-	42.86	11.95	-	54.81
Lease liability net of right-of-use assets	(1.53)	(0.53)	-	(2.06)	10.01	-	7.95
	(57.57)	43.23	8.36	(5.97)	72.95	(0.36)	66.62

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

11 Income tax assets (net)

Advance income tax and tax deducted at source, net of provision for tax of Rs. 3,301.99 Lakhs (As at March 31, 2022 :Rs. 2,312.62 Lakhs)

	As at March 31, 2023	As at March 31, 2022
	155.20	236.84
	155.20	236.84

12 Other Non-current/Current assets

Non-current

Capital advances
Advances to Holding Company (Refer note 42)

	As at March 31, 2023	As at March 31, 2022
Capital advances	743.71	171.77
Advances to Holding Company (Refer note 42)	5.20	5.20
	748.91	176.97

Current

Prepaid expenses
Advance to suppliers

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	174.42	95.56
Advance to suppliers	8.65	19.40
	183.07	114.96
	931.98	291.93

13 Inventories(lower of cost and net realisable value)

Stock-in-Trade - Pharmacy items
Consumables - Surgical material and medical stores

	As at March 31, 2023	As at March 31, 2022
Stock-in-Trade - Pharmacy items	134.92	109.01
Consumables - Surgical material and medical stores	92.47	78.22
	227.39	187.23

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1.The cost of inventories recognised as an expenses during the year (Refer Notes 31,32 and 33)	2,296.89	2,055.80
2. The cost of inventories recognised as an expense, includes write downs of inventory to net realisable value, amounting to	-	-
3. The mode of valuation of inventories has been stated in Note 3(F)	-	-

14 Trade receivables

Unsecured, considered good (Refer note 14.4)
Less: Allowances for Credit Loss

	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good (Refer note 14.4)	462.40	372.59
Less: Allowances for Credit Loss	(25.04)	(18.80)
	437.36	353.79

Undisputed Trade Receivables -Credit impaired (Refer note 14.4)
Less: Allowances for Credit Loss

	As at March 31, 2023	As at March 31, 2022
Undisputed Trade Receivables -Credit impaired (Refer note 14.4)	192.74	151.51
Less: Allowances for Credit Loss	(192.74)	(151.51)
	437.36	353.79

Total

Note : Includes receivable from Related parties. Refer note 43.

14.1 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. The Trade receivables, include certain customers having more than 5% of the total outstanding trade receivable balance:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Number of customers	6	7
Amount outstanding	468.64	329.39

14.2 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.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

The provision matrix at the end of the respective reporting period is as follows:

Particulars	Expected Credit loss (%)	
	As at March 31, 2023	As at March 31, 2022
Not due	6%	5%
0-90 days	34%	24%
91-180 days	56%	48%
181-270 days	79%	69%
271-360 days	100%	100%
More than 360 days	100%	100%

14.3 Movement of loss allowance in trade receivable

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	170.31	144.87
Add: Allowances made during the year (Also refer note 37)	81.84	45.31
Less: Utilization of ECL allowance (Also refer note 37)	(34.37)	(19.87)
Closing balance	217.78	170.31

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

14.4 Trade Receivable Ageing Schedule

As at March 31, 2023	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	462.40	-	-	-	-	-	462.40
(b) Undisputed Trade Receivables -Which have significant increase in credit risk	-	-	-	-	-	-	-
(c) Undisputed Trade Receivables -Credit impaired	-	56.02	49.13	41.29	17.87	28.43	192.74
(d) Disputed Trade Receivables -Considered good	-	-	-	-	-	-	-
(e) Disputed Trade Receivables -Which have significant increase in credit risk	-	-	-	-	-	-	-
(f) Disputed Trade Receivables -Credit impaired	-	-	-	-	-	-	-
Total	462.40	56.02	49.13	41.29	17.87	28.43	655.14
Less : Allowance for credit Loss							(217.78)
Net Trade receivables							437.36

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 2022, Unbilled revenue is disclosed under note 9 amounting to Rs. 213.25 lakhs

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

15. Cash and cash equivalents

	As at March 31, 2023	As at March 31, 2022
Cash on hand	17.55	14.98
Balances with banks		
- on current accounts	166.16	151.70
Total	183.71	166.68

16. Bank Balances other than Cash and Cash Equivalents above

Balances with banks		
- on deposit accounts (due to mature within 12 months from the reporting date)	3,695.35	3,149.38
Total	3,695.35	3,149.38

17. Loans

(Unsecured, considered good)

Current

Employee advances	17.58	12.72
Total	17.58	12.72

Note : There are no loans due by Directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

18. Equity

	As at March 31, 2023	As at March 31, 2022
Authorised		
250,000,000 (March 31, 2022: 250,000,000) equity shares of Rs. 1/- each	2,500.00	2,500.00
Issued, subscribed and fully paid up		
163,085,000 (March 31, 2022 163,085,000) equity shares of Rs. 1/- each fully paid up	1,630.85	1,630.85
Total	1,630.85	1,630.85

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

Equity Shares

	As at March 31, 2023		As at March 31, 2022	
	No. of shares (in full numbers)	Amount	No. of shares (in full numbers)	Amount
Equity shares of Rs. 1/- each fully paid up				
At the beginning of the year	1,630.85	1,630.85	1,630.85,000	1,630.85
At the end of the year	16,30,85,000	1,630.85	1,630.85,000	1,630.85

b. Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having a par value of Rs. 1 each. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend.

In the event of liquidation of the company, the holder of the equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amount.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

18. Equity (continued)

c. Shares held by holding company

	As at March 31, 2023		As at March 31, 2022	
	No. of shares (in full numbers)	Amount	No. of shares (in full numbers)	Amount
Equity shares of Rs. 1/- each fully paid up Sri Kauvery Medical Care (India) Limited, the Holding Company	12,23,13,750	1,223.14	12,23,13,750	1,223.14

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

	As at March 31, 2023		As at March 31, 2022	
	No. of shares (in full numbers)	% of total equity shares	No. of shares (in full numbers)	% of total equity shares
Equity shares of Rs. 1/- each fully paid up Sri Kauvery Medical Care (India) Limited, the Holding Company	12,23,13,750	75%	12,23,13,750	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

Promoters Name	As at March 31, 2023		
	No of shares (in full numbers)	% of total Shares	% of Change during the year
Sri Kauvery Medical Care (India) Limited	12,23,13,750	75%	-

Promoters Name	As at March 31, 2022		
	No of shares (in full numbers)	% of total Shares	% of Change during the year
Sri Kauvery Medical Care (India) Limited	12,23,13,750	75%	-

*Promoter means promoter as defined in the Act.

% change during the year represents the % change in total holding when compared to the previous year end.

19 Other equity

	As at March 31, 2023	As at March 31, 2022
Retained Earnings		
At the commencement of the year	7,117.67	4,745.09
Profit for the year	2,668.84	2,372.58
At the end of the year	9,786.51	7,117.67
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss - Re-measurement of defined benefit plans</i>		
At the commencement of the year	(68.21)	(43.34)
Remeasurements of defined benefit plans (net of tax)	1.06	(24.87)
At the end of the year	(67.15)	(68.21)
Total	9,719.36	7,049.46

19.1 Notes : Nature and purpose of other reserves

Retained Earnings (Including Other Comprehensive Income)

Retained earnings represents the profits generated by the Company post distribution of dividends (if any) to the shareholders. The reserve can be utilised for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

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.

The Company's adjusted net debt to equity ratio is as follows:

	As at March 31, 2023	As at March 31, 2022
Debt*	4,450.23	2,688.01
Less : Cash and cash equivalents**	(3,879.06)	(3,316.06)
Adjusted net debt	571.17	(628.05)
Total equity#	11,350.21	8,680.31
Adjusted net debt to adjusted equity ratio	0.05	NA

*Debt is defined as long-term borrowings including current maturities of long term borrowings and short-term borrowings.

**Cash and cash equivalents includes other bank balances (current portion)

#Equity includes all capital and reserves of the Company that are managed as capital.

##Since net debt is negative, gearing ratio as at March 31, 2022 has been disclosed as Not applicable.

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:

	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year attributable to the equity shareholders (A) (Rs. in Lakhs)	2,668.84	2,372.58
Weighted average number of equity shares outstanding as at reporting date (B) (in full numbers)	16,30,85,000	16,30,85,000
Basic and diluted earnings per share (EPS) (A/B) (in Rs.)	1.64	1.45

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, 2023	As at March 31, 2022
Non-Current		
Secured		
Term loans from banks	3,973.62	1,924.68
Vehicle loans from Banks	13.34	35.92
	3,986.96	1,960.60
Current		
Secured		
Current maturities of long term borrowings	463.27	694.98
Deferred payment liabilities	-	32.43
	463.27	727.41
Total	4,450.23	2,688.01

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

22.1 Terms of secured Loans from banks

Particulars	Interest Rate	Outstanding Instalment as on date	Nature of security	Repayment Terms	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022
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(i) Term loan from State Bank of India:

Term Loan 1	9.45%	March 31,2023 - 40 Quarters March 31,2022 - 40 Quarters	Refer Note 22.2 (i) to (v)	Principal quarterly and Interest monthly	4,290.06	2399.49
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Sub-Total (i) **4,290.06** **2399.49**

(ii) Vehicle loan from HDFC Bank:

Vehicle Loan 1	7.01%	"March 31,2023 - 30 months March 31,2022 - 42 months"	Refer Note 22.2 (vi)	Principal and Interest monthly	19.84	26.82
Vehicle Loan 2	9.80%	"March 31,2023 - 15 months March 31,2022 - 27 months"	Refer Note 22.2 (vi)	Principal and Interest monthly	4.62	9.09

Sub-Total (ii) **24.46** **35.91**

(iii) Term loan from Yes Bank Limited:

Term Loan 1	10.28%	"March 31,2023 - 18 months March 31,2022 - 30 months"	"Refer Note 22.2 (vii)"	Principal and Interest monthly	106.86	172.62
Term Loan 2	10.28%	"March 31,2023 - 18 months March 31,2022 - 30 months"	"Refer Note 22.2 (vii)"	Principal and Interest monthly	28.85	47.56

(iv) Deferred payment liabilities : **135.71** **220.18**

(iii) Term loan from Yes Bank Limited:

		"March 31,2023 - Nil March 31,2022 - 30 months"	NA	Beginning of the year	-	32.43
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Sub-Total (iv) **-** **32.43**

Grand Total of Borrowings (i+ii+iii+iv) **4,450.23** **2,688.01**

Less: Current maturities of long-term borrowings 463.27 727.41

Total Borrowings (Non-current) **3,986.96** **1,960.60**

22.2 Security :

- Hypothecation of fixed assets created/ purchased out of bank finance.
- Equitable mortgage over commercial land belonging to the Company & Hospital proposed to be built on land measuring 60598 sq. ft belonging to Survey No.13,14/1,14/2part and 32 situated at No. 27, Alexindria Road,Cantonment,Trichy - 620001.
- Equitable Mortgage over commercial building belonging to the Company with build-up 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) Situated in Ward K,BlockNo.17,New TS No.5 Trichy Jt I & II Sub regn Dist of K Abhishekapuram Trichy - 620001
- Personal guarantees of Dr.S.Chandrakumar, Executive Chairman (Whole- time) and Dr. S Manivannan, Managing Director of the Company.
- Corporate guarantee from Sri Kauvery Medical Care (India) Limited, the Holding Company.
- The loan is secured by way of hypothecation of the related vehicle
- The loans are secured by way of first and exclusive charge on the equipment purchased against the loan.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

22.3 Additional Information

- The Company does not have any borrowings secured against current assets, therefore the disclosure of the difference between quarterly statement submitted to banks and balance as per books is not applicable.
- 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.
- The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- The Company has utilised the borrowing amount taken from financial institutions for the purpose as stated in the sanction letter.

22.4 Reconciliation of change in Liabilities arising from financing activities:

i) For the year ended March 31,2023

Particulars	As at April 1, 2022	Cash flow (net)	Others^	New lease	As at March 31, 2023
Non current borrowings*	2,688.01	1,762.22	-	-	4,450.23
Lease liability	190.25	(125.39)	51.57	427.81	544.23

ii) For the year ended March 31,2022

Particulars	As at April 1, 2021	Cash flow (net)	Others^	New lease	As at March 31, 2022
Non current borrowings*	2,694.19	(6.18)	-	-	2,688.01
Lease liability	209.91	(50.58)	20.00	10.92	190.25

* Non current borrowing includes current maturities of Long term borrowing.

^ Others includes interest on lease liability

23 Lease Liabilities

- The Company, at the inception of a contract assesses whether 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. In adopting Ind AS 116, the Company has applied the below practical expedients:
 - The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
 - The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases".
 - The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

b) The Company has taken land and buildings on leases having lease terms of more than 1 year to 42 years, with the option to extend the term of leases. Refer note 5 for carrying amount of right-to-use assets at the end of the reporting period by class of underlying asset.

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 :

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	88.10	35.77
Non-current lease liabilities	456.13	154.48
Total	544.23	190.25

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

B. Movement in Lease Liabilities

The following is the movement in lease liabilities :

Particulars	Amount
Balance as on April 01, 2021	209.90
Additions	10.92
Finance costs charged to Statement of Profit and Loss	20.00
Adjustments	-
Payment of Lease liabilities	(50.58)
Balance as on March 31, 2022	190.24
Additions	427.81
Finance costs charged to Statement of Profit and Loss	28.43
Finance costs capitalised during the year	19.03
Adjustments	4.11
Payment of Lease liabilities	(125.39)
Balance as on March 31, 2023	544.23

C. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	134.53	52.62
One to five years	418.41	115.96
More than five years	202.45	127.16
Total	755.39	295.74

D. Amounts recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	28.43	20.00
Expenses relating to short term leases	80.22	67.88
Depreciation on right-of-use assets	55.82	39.98
Total	164.47	127.86

E. Amounts recognised in the Cash Flow Statement:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total cash outflow for leases	125.39	50.58

24 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits		
Compensated absences (Refer note 28.3)	109.72	113.91
	109.72	113.91
Current		
Provision for employee benefits		
Compensated absences (Refer note 28.3)	91.64	64.17
Gratuity (Refer note 28.2)	197.27	144.01
	288.91	208.18
Total	398.63	322.09

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Notes to the financial statements for the year ended March 31, 2023

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

25 Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits	8.02	10.52
	8.02	10.52
Current		
Advance from patients	194.06	134.33
Statutory liabilities	121.86	94.88
	315.92	229.21
Total	323.94	239.73

26 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises *	4.13	5.72
Total outstanding dues of creditors other than micro and small enterprises**	637.30	534.82
Total	641.43	540.54

*For dues to micro and small enterprises, refer note 41

**Includes trade payables from related parties (Refer note 42)

26.1 Trade Payable Ageing schedule

As at March 31, 2023

Particulars	Outstanding from date of Accounting				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	4.13	-	-	-	4.13
(ii) Others	629.99	7.31	-	-	637.30
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	634.12	7.31	-	-	641.43

As at March 31, 2022

Particulars	Outstanding from date of Accounting				Total
	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	540.54	-	-	-	540.54

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Notes to the financial statements for the year ended March 31, 2023

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

27 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Liabilities towards purchase of property, plant and equipment	220.76	10.80
Employee benefits payable	207.02	188.34
Interest accrued but not due on borrowings	0.67	1.00
Reimbursement payable to Holding company (Refer Note 42)	-	9.31
Reimbursement payable to fellow Subsidiary (Refer Note 42)	28.21	-
Total	456.66	209.45

28 Assets and liabilities relating to employee benefits

28.1 Defined Contribution Plan

Company's (employer's) contribution to Defined Contribution Plans recognised as expenses in the Statement of Profit and Loss are:

Particulars	Year ended March 31 2023	Year ended March 31 2022
Employer's Contribution to Provident Fund	131.89	110.71
Employer's Contributions to Employee State Insurance	39.91	33.90
Total	171.80	144.61

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 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 is included in "Staff Welfare Expenses".

Defined benefit plans -Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the amount calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Investments for these plans are carried out by Life Insurance Corporation of India.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the above plans, the actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31 2023 and March 31 2022 by an independent member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit credit method.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

The amount included in the Balance Sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Net (Asset) / Liability recognised in the Balance Sheet:		
Gratuity:		
Present value of defined benefit obligation	321.16	278.18
Fair value of plan assets	(123.89)	(134.17)
Deficit/(Surplus)	197.27	144.01
Current portion of the above	197.27	144.01
Non current portion of the above	-	-

For details about the related employee benefit expenses, see note 34.

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.

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 2023	Year ended March 31 2022
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	278.18	207.00
Benefits paid	(19.15)	(10.25)
Current service cost	47.05	38.95
Interest cost	14.73	9.93
Past service gain		
Actuarial (gains)/ losses recognised in other comprehensive income		
changes in demographic assumptions	(9.57)	(4.12)
changes in financial assumptions	(8.97)	13.07
experience adjustments	18.89	23.60
Balance at the end of the year	321.16	278.18
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	134.15	90.74
Contributions paid into the plan	-	50.00
Benefits paid	(19.15)	(10.25)
Interest income	7.11	4.35
Return on plan assets recognised in other comprehensive income	1.78	(0.67)
Balance at the end of the year	123.89	134.17
Net defined benefit liability	197.27	144.01

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Notes to the financial statements for the year ended March 31, 2023

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

C. Amount recognised in the total comprehensive income in respect of the defined benefit plan are as follows :

Particulars	Year ended March 31 2023	Year ended March 31 2022
i. Expense recognised in profit or loss		
Current service cost	47.05	38.95
Interest cost	14.73	9.93
Interest income	(7.11)	(4.35)
	54.67	44.53
ii. Remeasurement recognised in other comprehensive income		
Actuarial (gain)/ loss on defined benefit obligation	0.35	32.55
Return on plan assets excluding interest income	(1.77)	0.68
	(1.42)	33.23

D. Plan assets

The entire plan assets are managed by the insurer. The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the necessary information.

E. The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	Year ended March 31 2023	Year ended March 31 2022
i. Expense recognised in profit or loss		
Discount rate	7.2%	5.3%
Future salary growth	11%	10%
Attrition rate	39%	31%
Normal retirement age	60 Years	60 Years
Mortality rate*	100%	100%
	(% of IALM 2012 -2014)	(% of IALM 2012 -2014)

* Based on India's standard mortality table with modification to reflect the expected changes in mortality / others.

(a) The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

(b) Discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of the obligation.

Sensitivity analysis

Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase rate, attrition rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting Year while holding all other assumptions constant :

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Notes to the financial statements for the year ended March 31, 2023

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

(Increase) / Decrease on the Defined Benefit Obligation	As at March 31, 2023	As at March 31, 2022
(i) Discount rate		
Increase by 1%	7.89	8.55
Decrease by 1%	(8.26)	(9.05)
(ii) Future Salary growth		
Increase by 1%	(7.81)	(8.53)
Decrease by 1%	7.64	8.25
(iii) Attrition rate		
Increase by 50%	21.51	24.37
Decrease by 50%	(43.13)	(52.99)
(iv) Mortality rate		
Increase by 10%	0.02	0.04
Decrease by 10%	-	(0.01)

(a) The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(b) Furthermore, in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

(c) There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

F. Experience Adjustments

Amounts of the current year and previous four periods are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	321.16	278.18	207.00	168.27	130.43
Plan asset	(123.89)	(134.17)	(90.74)	(71.99)	(80.48)
Deficit/(Surplus)	197.27	144.01	116.26	96.28	49.95
Experience adjustments					
- in plan liabilities (loss) / gain	18.89	23.60	(5.54)	(14.35)	(10.80)
- in plan assets (loss) / gain	-	-	-	-	-

G. Effect of Plan on Entity's Future Cash Flows

(a) Funding Arrangements and Funding Policy

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance Company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(b) Expected contributions to post-employment benefit plans for the next year from the respective year end date is as follows:

Year Ended	Amount
March 31, 2023	232.03
March 31, 2022	179.44

(c) The weighted average duration of the defined benefit obligation during the respective year end is as follows:

Year Ended	No. of years
March 31, 2023	2 Years
March 31, 2022	3 Years

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Notes to the financial statements for the year ended March 31, 2023

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

(d) Maturity profile of defined benefit obligation on an undiscounted basis is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
1 Year	117.04	78.18
2 to 5 years	223.99	189.56
6 to 10 years	44.10	54.02
More than 10 years	5.57	11.72
Total	390.70	333.48

28.3 Compensated absences

The compensated absences cover the Company's liability for earned leave. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Accordingly the Company has accounted for provision for compensated absences as below :

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current portion	109.72	113.91
Current portion	91.64	64.17
Total	201.36	178.08

The key assumptions used in the computation of provision for compensated absences as per the actuarial valuation done by an independent actuary are as given below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.2%	5.3%
Future salary growth	11%	10%
Attrition rate	39%	31%
Normal retirement age	60 Years	60 Years
Mortality rate*	100%	100%
Total	(% of IALM 2012 -2014)	(% of IALM 2012 -2014)

* Based on India's standard mortality table with modification to reflect the expected changes in mortality / others.

(i) The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.

(ii) Discount rate is based on the prevailing market yields of Indian Government bonds as at the balance sheet date for the estimated term of the obligation.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

29 Revenue from operations

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 services and scrap sales.

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Revenue from medical and healthcare services		
Income from hospital services	14,581.63	12,766.28
Sale of pharmacy products	907.63	758.43
	15,489.26	13,524.71
Other operating revenues		
Sale of scrap	4.24	14.61
Others	82.14	67.96
	86.38	82.57
	15,575.64	13,607.28

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, 2023	For the Year ended March 31, 2022
Primary geographical markets		
India	15,575.64	13,607.28
	15,575.64	13,607.28
Major service lines / products		
Revenue from in-patient services	13,068.73	11,297.23
Revenue from out-patient services	1,512.90	1,469.05
Sale of pharmacy products	907.63	758.43
Sale of scrap	4.24	14.61
Others	82.14	67.96
	15,575.64	13,607.28
Timing of revenue recognition		
Service transferred over a period of time	13,150.87	11,365.19
Service transferred at a point in time	1,512.90	1,469.05
Products transferred at a point in time	911.87	773.04
	15,575.64	13,607.28

C. Reconciliation of revenue recognised with contract price:

(i) Income from Hospital services (Including Other operating income):

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Contract price (as reflected in the invoice raised on customer as per terms of the contract with customer)	15,127.81	13,170.30
Reduction in form of discounts and allowances	(464.04)	(336.06)
Reduction towards amount received on behalf of third party service consultant	-	-
Revenue recognised in statement of profit and loss	14,663.77	12,834.24

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Notes to the financial statements for the year ended March 31, 2023

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

(ii) Pharmaceutical Products:

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Contract price (as reflected in the invoice raised on customer as per terms of the contract with customer)	923.21	777.61
Reduction in form of discounts and allowances	(11.34)	(4.57)
Reduction towards amount received on behalf of third party service consultant	-	-
Revenue recognised in statement of profit and loss	911.87	773.04

D. Contract balances

The following disclosure provides information about receivables, contract assets and liabilities from Contracts with customers

	As at March 31, 2023	As at March 31, 2022
Receivables which are included in Trade receivables*	655.14	524.10
Contract Assets - Unbilled revenue	333.88	213.25
Contract Liabilities - Advance from patients	(194.06)	(134.33)

30 Other income

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest income from bank deposits	176.66	121.08
Interest income from others	-	1.15
Interest on Income tax refund	-	2.31
Rental income (refer note 42)	12.96	12.96
Profit on disposal of property, plant and equipment, (net)	-	2.90
Miscellaneous income	123.24	74.30
	312.86	214.69

31 Cost of materials consumed

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Inventory at the beginning of the year	78.22	67.86
Add: Purchases of consumables*	302.53	277.07
Less : Inventory at the end of the year (refer note 13)	(92.47)	(78.22)
	288.28	266.71

32 Purchases of Stock-in-Trade

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Purchase of pharmacy products*	2,039.92	1,790.73
	2,039.92	1,790.73

*Includes pharmacy products for in-patient services as for well as sale of pharmacy products

33 Changes in inventories of Stock-in-trade

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening inventory	109.01	107.37
Closing inventory	(140.32)	(109.01)
	(31.31)	(1.64)

34 Employee benefits expense

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries, wages and bonus	2,704.01	2,336.80
Contribution to provident and other funds (Refer note 28.1)	186.58	155.24
Staff welfare expenses	229.86	220.87
	3,120.45	2,712.90

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Notes to the financial statements for the year ended March 31, 2023

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

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
35 Finance costs		
Interest		
- on term loans*	50.26	47.07
- on lease liabilities (Refer note 23)	28.43	20.00
- on others	2.41	2.52
	81.10	69.58

*The Company has capitalised borrowing cost towards qualifying assets during the year amounting to Rs. 457.97 lakhs (Year ended March 31, 2022 - 208.15 lakhs) at a rate of 9.45 % Per annum.

36 Depreciation and amortisation expense

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation of property, plant and equipment (Refer note 4)	666.71	562.35
Depreciation of Right of use assets (Refer note 5)	55.82	39.98
Amortisation of intangible assets (Refer note 7)	41.69	50.37
	764.22	652.70

37 Other expenses

Hospital operating expenses

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Professional fees paid to consultants	3,397.09	2,707.23
Power and fuel	282.25	243.37
Repairs and maintenance		
- Buildings	27.44	57.95
- Plant and machinery	96.13	58.48
- Others	316.01	359.48
Sub-contracting charges (refer Note 42)	667.14	625.12
Medical gas	31.18	31.05
Rent (refer note 42)	80.22	67.88
Blood and medical record scan charges	95.48	85.39
Patient Diet Expenses	91.08	96.02
Total (A)	5,084.02	4,331.97

Administrative expenses

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Rates and taxes	72.10	44.06
Business promotion and publicity	273.96	223.45
Communication expenses	37.32	28.65
Travelling and conveyance	88.03	95.31
Printing and stationery	88.68	80.26
Legal and professional charges	77.14	99.03
Payment to auditors (refer note (i) below)	24.72	20.60
Security charges	5.28	12.36
Bad debts written off	34.37	19.87
Less : provision utilised	(34.37)	(19.87)

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

37 Other expenses (continued)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Net Bad debts written off	-	-
Corporate social responsibility (refer note (ii) below)	45.30	23.00
Provision for loss allowance (refer note 14.3)	81.84	45.31
Insurance	27.73	26.02
Bank charges	31.61	28.50
Directors sitting fees	6.90	7.30
Loss on disposal of property, plant and equipment (net)	9.29	-
Miscellaneous expenses	72.89	55.36
Total (B)	942.79	789.21
Grand Total (A + B)	6,026.81	5,121.18
	For the Year ended March 31, 2023	For the Year ended March 31, 2022
(i) Payment to auditors (excluding goods and services tax)		
Statutory audit	18.60	15.50
Quarterly limited reviews	5.40	4.50
Out of pocket expenses	0.72	0.60
	24.72	20.60
(ii) Details of corporate social responsibility expenditure		
(a) Amount required to be spent by the Company during the year	45.30	23.00
(b) Amount of expenditure incurred		
(i) Construction / acquisition of any assets	-	-
(ii) On purposes other than (i) above	45.30	23.00
(c) Shortfall/(excess) 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
- Promoting sports	10.00	5.00
- Preventive health care	35.30	18.00
(g) Details of related party transactions		
Kauvery Medical Trust	17.30	-
(h) Provisions w.r.t CSR Expenditure pursuant to contractual obligation	-	-

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Notes to the financial statements for the year ended March 31, 2023

(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.

As at March 31, 2023	" At cost "	Amortised cost	Financial assets/ liabilities at fair value through Profit or Loss	Financial assets at fair value through OCI	Total carrying value
Financial Assets:					
Investments	-	-	0.38	-	0.38
Loans	-	17.58	-	-	17.58
Trade receivables	-	437.36	-	-	437.36
Cash and cash equivalents	-	183.71	-	-	183.71
Other Bank balances	-	3,695.35	-	-	3,695.35
Other financial assets	-	618.62	-	-	618.62
	-	4,952.62	0.38	-	4,953.00
Financial liabilities					
Borrowings	-	4,450.23	-	-	4,450.23
Lease Liabilities	-	544.23	-	-	544.23
Trade payables	-	641.43	-	-	641.43
Other financial liabilities	-	456.66	-	-	456.66
	-	6,092.55	-	-	6,092.55
	" At cost "	Amortised cost	Financial assets/ liabilities at fair value through Profit or Loss	Financial assets at fair value through OCI	Total carrying value
As at March 31, 2023					
Financial Assets:					
Investments	-	-	0.38	-	0.38
Loans	-	12.72	-	-	12.72
Trade receivables	-	353.79	-	-	353.79
Cash and cash equivalents	-	166.68	-	-	166.68
Other Bank balances	-	3,149.38	-	-	3,149.38
Other financial assets	-	371.27	-	-	371.27
	-	4,053.84	0.38	-	4,054.22
Financial liabilities					
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
	-	3,628.26	-	-	3,628.26

The Company has not disclosed fair values of financial instruments such as investments, 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 due to the short-term maturities of these instruments.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

(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:

- credit risk (see (B)(ii));
- liquidity risk (see (B)(iii));

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, 2023	As at March 31, 2022
Investments	0.38	0.38
Trade receivables	437.36	353.79
Loans	17.58	12.72
Cash and cash equivalents	183.71	166.68
Other Bank balances	3,695.35	3,149.38
Other financial assets	618.62	371.27
	4,953.00	4,054.22

Investments

The Investment made by the Company in other Companies are subject to the uncertainty of their ability to generate profits from their operations and provide returns to the Company against the investment made.

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 Company's exposure to credit risk for trade receivables and other receivables is as follows:

	As at March 31, 2023	As at March 31, 2022
Trade receivables (gross)	655.14	524.10
Less : Allowance for credit Loss	(217.78)	(170.31)
	437.36	353.79

Loans

This balance primarily constitute of employee advances. 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.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

38 Financial instruments - Fair value and risk management (continued)

Other financial assets (including other bank balances)

Other financial assets comprises of rental deposits given to lessors, unbilled revenue, bank deposits (due to mature within and after 12 months from the reporting date), interest accrued on fixed deposits, electricity deposit given to Tamil Nadu Electricity Board and receivables from related parties. 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.

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 financial liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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, 2023

	1 year or less	1-5 years	More than 5 years	Total	Carrying amount
Borrowings	730.06	3,647.82	2,363.79	6,741.67	4,450.23
Lease liabilities	134.53	418.41	202.45	755.39	544.23
Trade payables	641.43	-	-	641.43	641.43
Other financial liabilities	456.66	-	-	456.66	456.66
	1,962.68	4,066.23	2,566.24	8,595.15	6,092.55

As at March 31, 2022

	1 year or less	1-5 years	More than 5 years	Total	Carrying amount
Borrowings	1,203.08	3,741.11	3,000.56	7,944.75	2,688.01
Lease liabilities	52.62	115.96	127.17	295.75	190.25
Trade payables	540.55	-	-	540.55	540.55
Other financial liabilities	209.45	-	-	209.45	209.45
	2,005.70	3,857.07	3,127.73	8,990.50	3,628.26

39 Contingent liabilities and commitments

a) Contingent liabilities

(i) Claims against the Company not acknowledged as debts

	As at March 31, 2023	As at March 31, 2022
	-	-

(ii) Guarantees given outstanding

- Guarantees given to bankers on behalf of the holding company
Sri Kauvery Medical Care (India) Limited

	4,218.43	6,456.39
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(iii) The Company, is empanelled under TNMCHIS 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.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

(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 advice the Government in the matter of revision of minimum wages and a report will be submitted with in 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, 2023 and March 31, 2022 and the same has been disclosed as a Contingent Liability in the Financial Statement.

b) Commitments

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	289.71	220.50
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The Company also receives claims, which arise in the ordinary course of the business. However, the management does not believe that such matters would have a material effect on the financial statements.

40 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 an 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 disclosures to be provided under Ind AS 108.

41 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, 2023 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The amounts remaining dues to micro and small suppliers as at the end of the year		
- Principal amount	4.13	5.72
- 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.	-	-

42 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 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

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

Independent Directors	Dr. D Senguvattan, Director Mr.K.Anand Babu - Chief Financial Officer Ms.Yasotha Benazir N - Company Secretary (Upto June 15 2022) Ms.Sushma K- Company Secretary (w.e.f June 15 2022) Mr Swaminathan Dhandapani (Upto November 30,2021) Mr Krishnamoorthy Arunachalam Mr Natarajan Bala Baskar Mr CA S Chentilkumar Mr N Jeyanthei
Enterprises over which Non-executive director of Holding company (Dr. GSK Velu) have control	Trivitron Health Care Private Limited
Associate of Holding Company	Neuberg Ehrlich Laboratory Private Limited
Enterprises over which KMP exercise significant influence	Kavery Medical Trust
Relative of KMP	Dr. N Suchitra (Relative of Dr. S Manivannan)

Notes:

1. Related party relationships are as identified by the management and relied upon by the auditors.
2. The aforesaid list includes only the list of related parties with transactions during the year except where control exists.

b) Transaction with related parties during the year

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sri Kauvery Medical Care (India) Limited		
Revenue from hospital services rendered	115.33	200.60
Hospital services availed	164.51	211.24
Doctor fees reimbursed	44.38	182.96
Sale of goods	1.81	1.85
Purchase of goods	2.27	20.11
Purchase of Property, Plant & Equipment	0.51	-
Sale of Property, Plant & Equipment	1.01	-
Rental income	12.96	12.96
Rental expenses (Refer note (f) below)	2.10	2.10
Guarantee Expenses	25.46	17.50
Guarantee Commission Income	35.02	23.47
Reimbursement of expenses received	105.05	35.33
Reimbursement of expenses Paid	188.21	233.76
Claims made on behalf of the Holding Company (Refer note 39 a(iii))	238.45	863.32
Reimbursement of claims received on behalf of the Holding Company (Refer note 39 a(iii))	538.12	915.05
Curtis Drug point private limited		
Purchase of Goods	653.96	729.95
Trivitron Health Care Private Limited		
Purchase of Goods	1.28	-
Repairs and maintenance - Plant and machinery	1.79	2.47
Neuberg Ehrlich Laboratory Private Limited		
Testing Fees	647.35	620.93
Kavery Medical Trust		
Rent Paid	1.61	1.56
Corporate social expenditure	17.30	-
Kauvery Hospital Medical Services Private Limited		
Purchase of Goods	0.02	0.14
Reimbursement received towards Software Maintenance charges	3.22	4.10

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

42 Related party disclosures (continued)

b) Transaction with related parties during the year (continued)

	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Reimbursement of expenses paid	28.50	-
Kauvery Hospitals (Bengaluru) Private Limited		
Reimbursement of expenses received	11.12	-
Sale of goods	-	0.06
Hamsa Medical Services Private Limited		
Hospital services availed	8.41	-
Reimbursement of expenses received	0.73	-
Dr. S. Chandrakumar	84.00	84.00
- Remuneration (Refer note b & c below)		
Dr.S.Manivannan	84.00	84.00
- Remuneration (Refer note b & c below)		
Mr. K.Anand Babu	85.71	73.33
- Remuneration (Refer note b & c below)		
Ms.Yasotha Benazir	-	7.37
- Remuneration (Refer note b & c below)		
Ms.Sushma K	7.06	-
- Remuneration (Refer note b & c below)		
Dr. D Senguttuvan		
- Professional fees paid to consultants	348.56	238.72
- Remuneration (Refer note b & c below)	48.60	45.00
- Incentive	42.20	38.43
Dr. N Suchitra	239.14	176.55
- Professional fees		
Mr Krishnamoorthy Arunachalam	2.40	2.30
- Director sitting fees		
Mr Natarajan Bala Baskar	1.80	1.70
- Director sitting fees		
Mr CA S Chentilkumar	0.90	1.70
- Director sitting fees		
Mr N Jeyanthei	1.80	1.00
- Director sitting fees		
Mr Swaminathan Dhandapani	-	0.60
- Director sitting fees		

c) Balances outstanding as at the year end

	As at March 31, 2023	As at March 31, 2022
Sri Kauvery Medical Care (India) Limited		
Trade Payable	8.77	3.94
Other Non- current Assets	5.20	5.20
Other financial assets	36.17	-
Guarantees and collaterals (Refer Note (e) below)	4,218.43	6,456.39
Kauvery Hospital Medical Services Private Limited		
Other Financial Liabilities	28.21	-
Kauvery Hospitals (Bengaluru) Private Limited		
Other financial assets	11.12	-
Kavery Medical Trust		
Trade Payable	-	0.13
Neuberg Ehrlich Laboratory Private Limited		
Trade Payable	48.77	42.45

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

42 Related party disclosures (continued)

c) Balances outstanding as at the year end (continued)

	As at March 31, 2023	As at March 31, 2022
Curtis Drug point private limited		
Trade Payable	2.99	19.47
Trivitron Health Care Private Limited		
Trade Payable	0.06	-
Hamsa Medical Services Private Limited		
Trade Payable	1.69	-
Dr. N Suchitra		
Trade Payable	15.99	10.84

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 March 31 2023 and as at March 31 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) 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.

(e) The above guarantees represents financial guarantee provided by the Company for term loans availed by the holding company.

(f) The rental expense disclosed above represents the actual amounts payable as per the agreement entered into between the parties (excluding taxes thereon) accounted as payment of lease liabilities in the books. The depreciation on right of use asset and interest on lease liabilities accounted as per Ind AS 116 pursuant to the lease arrangement is not considered for the aforesaid disclosure.

(g) The amount of transactions disclosed above is without considering Goods and Services Tax (wherever applicable, irrespective of whether input credit has been availed or not) as charged by/to the counter party as part of the invoice/relevant document and is gross of tax deducted at source under the Income Tax Act,1961 and accounted in the ledger of the concerned expense/transaction head.

The amount of payables/receivables indicated above is after deducting Tax (wherever applicable) and after including Goods and Services Tax (wherever applicable) as charged by/to the counter party as part of the invoice/relevant document and accounted in the ledger of the concerned party.

(h)The aforesaid transactions are disclosed only from the date / upto the date, the party has become / ceases to become a related party to the Company.

(i) Refer Note 22.2 for guarantees/securities provided by related parties in connection with loans availed by the Company.

43 Additional Disclosures - Ratios

I. Ratio analysis and its elements

The below non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that these are not a measure of operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(a) Current ratio = Current assets / Current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current assets	5,185.78	4,247.75
Current liabilities	2,254.29	1,950.56
Ratio (in times)	2.30	2.18
% Change from previous year	5.63%	

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

43 Additional Disclosures - Ratios (continued)

(b) Debt equity ratio = Total debt / Total shareholder's equity

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt*	4,450.23	2,688.01
Total equity	11,350.21	8,680.31
Ratio (in times)	0.39	0.31
% Change from previous year	26.61%	

*Total debt includes long term borrowings and short term borrowings.

Reason for change more than 25%:

The Company has availed loan from State Bank of India towards the Mother & Child care Project thereby increasing the borrowings in the current year as compared to previous year.

(c) Debt service coverage ratio = Earnings available for debt services / Total interest and principal repayments

Particulars	As at March 31, 2023	As at March 31, 2022
Net Profit after tax (A)	2,668.84	2,372.58
Add:		
- Depreciation and amortisation (B)	764.22	652.70
- Finance cost (C)	81.10	69.58
Total (D=B+C)	845.32	722.28
Earnings available for debt services (E=A+D)	3,514.16	3,094.86
Expected Interest outflow on long term borrowings * (F)	412.28	475.70
Lease payments for next one year (G)	134.53	52.62
Principal repayments * (H)	463.27	694.98
Total interest and principal repayments (I = F + G + H)	1,010.08	1,223.30
Ratio (in times) (J = E / I)	3.48	2.53
% Change from previous year	37.55%	

* Expected interest outflow on long term borrowings and principal repayments represent the expected outflows until 31 March 2024 / 31 March 2023 (one year from the balance sheet date)

Reason for change more than 25%:

The operations of the Company has increased in the current year with a reduction in principal repayments for next one year leading to a increase in the Debt service coverage ratio.

(d) Return on equity ratio = Net profit after tax / Average equity

Particulars	As at March 31, 2023	As at March 31, 2022
Net profit after tax	2,668.84	2,372.58
Average equity*	10,015.26	7,506.31
Ratio (in %)	0.27	0.32
% Change from previous year	(15.69)%	

*Average equity represents the average of opening and closing equity.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

43 Additional Disclosures - Ratios (continued)

(e) Inventory turnover ratio = Cost of materials consumed / average inventory

Particulars	As at March 31, 2023	As at March 31, 2022
Cost of materials consumed*	2,296.89	2,055.80
Average inventory**	207.31	181.23
Ratio (in times)	11.08	11.34
% Change from previous year	(2.29)%	

*Cost of materials consumed comprises of cost of materials consumed, purchases of stock-in-trade and changes in inventories

**Average inventory represents the average of opening and closing inventory.

(f) Trade receivables turnover ratio = Credit sales / average trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Credit sales (net)	3,616.50	4,198.65
Average trade receivables#	589.62	462.21
Ratio (in times)	6.13	9.08
% Change from previous year	(32.49)%	

#Average trade receivables represents the average of opening and closing gross trade receivables without considering the Expected credit allowance.

Reason for change more than 25%:

During the year, while the credit revenue has reduced, the receivables has increased due to higher credit period with certain insurance companies/ TPA's resulting in reduced turnover ratio.

(g) Trade payables turnover ratio = Credit purchases / Average trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Credit purchases (net)*	8,152.64	7,075.35
Average trade payables#	590.99	530.68
Ratio (in times)	13.79	13.33
% Change from previous year	3.47%	

*Credit purchases includes purchases of raw-material, stock-in-trade and other expenses (excluding cash & non-cash nature of transactions)

#Average trade payables represents the average of opening and closing trade payables.

(h) Net capital turnover ratio = Net Sales / Net Working capital

Particulars	As at March 31, 2023	As at March 31, 2022
Sales*	15,575.64	13,607.28
Net Working capital#	2,931.49	2,297.19
Ratio (in times)	5.31	5.92
% Change from previous year	(10.25)%	

*Sales represents Revenue from Operations

Net Working Capital represents difference between Current assets and Current liabilities

(i) Net profit ratio = Net profit after tax / Total Sales

Particulars	As at March 31, 2023	As at March 31, 2022
Net-profit after tax	2,668.84	2,372.58
Sales#	15,575.64	13,607.28
Ratio (in %)	17.13%	17.44%
% Change from previous year	(1.73)%	

#Sales represents Revenue from Operations

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

43 Additional Disclosures - Ratios (continued)

(j) Return on capital employed = Earnings before interest / Capital employed

Particulars	As at March 31, 2023	As at March 31, 2022
Profit before tax (A)	3,599.03	3,209.81
Finance costs (B)	81.10	69.58
EBIT (C) = (A) + (B)	3,680.13	3,279.39
Capital employed	16,313.64	11,494.32
Ratio (in %)	22.56%	28.53%
% Change from previous year	(20.93)%	

(k) Return on investment = Net profit after tax / Total Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Net profit after tax	NA	NA
Total Assets	NA	NA
Ratio (in %)	NA	NA
% Change from previous year	NA	

Company believes that the Return on investment is for a particular project and cannot be computed on an Overall Company level, hence NA.

44. Additional regulatory information as required by Schedule III to the Companies Act, 2013 - Others

- No proceedings have been initiated during the year or are pending against the company as at March 31, 2023 for holding any benami property under Benami Property Transactions (prohibition) Act, 1988.
- Transactions and balances with companies which have been removed from register of Companies [struck off companies] as at the above reporting periods is Nil.
- The Company has not traded / invested in Crypto currency or virtual currency.
- 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:
 - 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 to or on behalf of the Ultimate Beneficiaries
- 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
 - 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
- 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).
- 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.
- The Company does not have any scheme of arrangements which have been approved by the competent authority in terms of sections 230 to 237 of the Act.
- The Company has complied with the number of layers prescribed under of Section 2(87) of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

KMC SPECIALITY HOSPITALS (INDIA) LIMITED

Notes to the financial statements for the year ended March 31, 2023

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

45. Disclosures required under section 186(4) of the Companies Act, 2013

Name of the entity	Purpose(i.e. Proposed utilisation by the recipient)	As at March 31, 2023	As at March 31, 2022
(i) Investment made			
Nazca Energy Private Limited	NA	0.38	0.38
(ii) Guarantees Given			
Sri Kauvery Medical Care (India) Limited	Term loans	4,218.43	6,456.39

46. 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 lakhs (Previous year: INR 1.44 lakhs). The schedule for future minimum lease payments in respect of non-cancellable operating lease is set out below:

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	1.44	1.44
Later than one year but not later than five years	6.16	6.04
Later than five years	19.85	21.41
Total	27.45	28.89

- The Indian Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 which could impact the employee compensation expenses including 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

- Previous year figures have been reclassified to conform to the current year classification/presentation.

- The financial statements were approved for issue by the board of directors on May 29, 2023. The shareholders of the Company have the right to amend the Financial Statements in the ensuing Annual general meeting post issuance of the same by the Board of directors.

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 29, 2023

K. Anand Babu

Chief Financial Officer

Sushma K

Company Secretary

Place : Chennai

Date : May 29, 2023



KMC Speciality Hospitals (India) Limited

6, Royal Road, Cantonment, Trichy - 620 001

CIN: L85110TN1982PLC009781

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