



# KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

Corporate Identification Number (CIN) : L85110TZ1985PLC001659

Registered Office : 99, Avanashi Road, Coimbatore - 641 014

Phone: (0422) 4323800, 3083800, Fax : (0422) - 2627782

E-mail: secretarialdept@kmchhospitals.com, Website : www.kmchhospitals.com

## Statement of Audited Financial Results for the Quarter / Year Ended 31st March 2020

(₹ in lakhs)

S.No	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Unaudited)			(Audited)	
1	<b>Income from Operations</b>					
	a) Revenue from Operations	17,711.66	19,122.64	15,880.44	70,966.96	62,732.23
	b) Other Operating Income	65.10	65.06	51.99	205.92	106.82
	c) Other Income	294.99	262.03	192.77	1,059.14	823.99
	<b>Total Income from Operations</b>	<b>18,071.75</b>	<b>19,449.73</b>	<b>16,125.20</b>	<b>72,232.02</b>	<b>63,663.04</b>
2	<b>Expenses</b>					
	a) Cost of Medicines & Hospital consumables consumed	5,110.67	5,443.12	4,800.26	20,479.55	18,737.13
	b) Employee benefits expense	3,375.34	3,167.57	2,840.60	12,486.51	11,157.64
	c) Finance Cost	427.73	326.70	245.29	1,461.87	1,217.93
	d) Depreciation and amortization expenses	2,175.93	1,064.95	878.82	5,211.93	3,553.27
	e) Other Expenses	5,251.96	5,500.86	5,030.04	21,400.89	19,712.62
	<b>Total Expenses</b>	<b>16,341.63</b>	<b>15,503.20</b>	<b>13,795.01</b>	<b>61,040.75</b>	<b>54,378.59</b>
3	<b>Profit before Tax (1-2)</b>	<b>1,730.12</b>	<b>3,946.53</b>	<b>2,330.19</b>	<b>11,191.27</b>	<b>9,284.45</b>
4	<b>Tax expense</b>					
	a) Current Tax	(311.91)	1,419.33	681.45	2,995.20	3,129.13
	b) Taxation for earlier years	-	31.05	-	63.89	10.00
	c) Deferred Tax	(1,306.86)	7.16	109.50	(1,326.53)	131.05
	<b>Total Tax Expenses</b>	<b>(1,618.77)</b>	<b>1,457.54</b>	<b>790.95</b>	<b>1,732.56</b>	<b>3,270.18</b>
5	<b>Profit for the period from continuing operations (3-4)</b>	<b>3,348.89</b>	<b>2,488.99</b>	<b>1,539.24</b>	<b>9,458.71</b>	<b>6,014.27</b>
6	<b>OTHER COMPREHENSIVE INCOME (Net off Tax Expense)</b>					
	<b>A) Items that will not be reclassified to profit or loss</b>					
	Remeasurement of post employment benefit obligations	173.79	(3.85)	(38.33)	162.24	(40.55)
	Change in fair value of FVOCI equity instruments	(8.08)	2.42	0.98	(12.42)	1.60
	<b>B) Income Tax relating to above items</b>	<b>(43.10)</b>	<b>0.49</b>	<b>13.05</b>	<b>(37.70)</b>	<b>13.61</b>
	<b>Total Other Comprehensive Income (Net off Tax Expense)</b>	<b>122.61</b>	<b>(0.94)</b>	<b>(24.30)</b>	<b>112.12</b>	<b>(25.34)</b>
7	<b>Total Comprehensive Income For The Period (5+6)</b>	<b>3,471.50</b>	<b>2,488.05</b>	<b>1,514.94</b>	<b>9,570.83</b>	<b>5,988.93</b>
8	<b>Basic and diluted Earnings Per Share</b>	<b>30.60</b>	<b>22.75</b>	<b>14.07</b>	<b>86.44</b>	<b>54.96</b>

# Statement of Assets and Liabilities

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019
	INDAS	INDAS
<b>ASSETS</b>		
<b>1. Non Current Assets</b>		
(a) Property, plant & equipment	61,351.83	46,843.51
(b) Right of use assets	2,838.45	-
(c) Capital work in progress	29,959.80	22,729.77
(d) Intangible assets	86.72	86.65
(e) Financial assets		
(i) Investments	11.68	24.10
(ii) other financial assets	978.91	600.18
(f) Other non-current assets	1,254.06	1,753.07
<b>Total Non Current Assets</b>	<b>96,481.45</b>	<b>72,037.28</b>
<b>2. Current Assets</b>		
(a) Inventories	1,265.98	1,013.16
(b) Financial Assets		
(i) Trade receivables	842.33	1,000.69
(ii) Cash & cash equivalents	3,208.79	2,673.20
(iii) Bank balances other than cash & cash equivalents	8,093.24	7,516.26
(iv) others financial assets	569.37	578.84
(c) Other current assets	259.98	142.17
<b>Total Current Assets</b>	<b>14,239.69</b>	<b>12,924.32</b>
<b>TOTAL - ASSETS</b>	<b>1,10,721.14</b>	<b>84,961.60</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Share Capital	1,094.23	1,094.23
(b) Other Equity	42,009.46	33,230.12
<b>Total Equity</b>	<b>43,103.69</b>	<b>34,324.35</b>
<b>2. Non Current Liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	50,463.76	33,596.40
(ii) Lease liabilities	2,947.29	-
(iii) Other financial liabilities	27.62	23.88
(b) Provisions	850.91	800.34
(c) Deferred tax liabilities (net)	2,806.68	4,095.51
(d) Other non-current liabilities	2.36	2.21
<b>Total Non Current Liabilities</b>	<b>57,098.62</b>	<b>38,518.34</b>
<b>3. Current Liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	376.17	943.77
(ii) Trade payables		
a) Dues to Micro & Small Enterprises	69.47	57.13
b) Dues to Others	2,523.68	2,334.00
(iii) Lease liabilities	58.44	-
(iv) Other financial liabilities	3,548.71	6,268.64
(b) Provisions	427.16	380.32
(c) Other current liabilities	3,515.20	2,135.05
<b>Total Current Liabilities</b>	<b>10,518.83</b>	<b>12,118.91</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,10,721.14</b>	<b>84,961.60</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

(₹ in Lakhs)

Particulars	31st March 2020		31st March 2019	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Profit before taxation and exceptional items		11,191.27		9,284.45
Adjustment for:				
Depreciation and amortisation expense	5,211.93		3,553.27	
Exchange fluctuation loss/(gain), net	90.20		-	
Finance cost	1,192.56		1,211.51	
Non Cash transactions	157.14		3.56	
Loss/(profit) on Sale of Property,Plant & equipment (net)	39.56		(2.49)	
		6,691.39		4,765.85
<b>Operating cash flow before working capital changes</b>		<b>17,882.66</b>		<b>14,050.30</b>
(Increase) / Decrease in non current & current financial assets	(463.72)		(139.39)	
(Increase) / Decrease in other non current & current assets	360.69		705.56	
(Increase) / Decrease in non current & current financial liabilities	265.73		524.85	
(Decrease) / Increase in other non current & current liabilities	1,639.95		585.14	
		1,802.65		1,676.16
<b>Cash generated from operations</b>		<b>19,685.31</b>		<b>15,726.46</b>
Income Tax paid		(3,068.95)		(3,121.34)
<b>Net cash from operating activities (A)</b>		<b>16,616.36</b>		<b>12,605.12</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Property, Plant & Equipment	(26,802.53)		(27,671.17)	
Proceeds from Sale of Property, Plant & Equipment	20.57		7.79	
<b>Net cash from /(used in) investing activities (B)</b>		<b>(26,781.96)</b>		<b>(27,663.38)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Long term Borrowings (Net of Repayment)	14,087.46		16,677.79	
Short term Borrowings (Net)	(567.60)		934.90	
Repayment of lease liabilities	(273.13)		-	
Finance Cost	(1,192.56)		(1,211.51)	
Dividend Paid (including dividend distribution tax)	(776.00)		(394.35)	
<b>Net cash from/(used in) financing activities (C)</b>		<b>11,278.17</b>		<b>16,006.83</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>1,112.57</b>		<b>948.57</b>
Cash and cash equivalents at the beginning of the year		10189.46		9,240.89
Less: Bank Balances not considered as Cash & Cash equivalents as per Ind AS 7		8093.24		7,516.26
<b>Cash and Cash equivalents at the end of the year</b>		<b>3,208.79</b>		<b>2,673.20</b>

**Notes :**

- 1 The above results have been subjected to audit by the Statutory Auditors, reviewed by the Audit Committee and approved by the Board in its meeting held on 20.06.2020
- 2 Effective 1<sup>st</sup> April,2019, the company has adopted Ind AS 116 "Leases" for all long term lease contracts existing as on 1<sup>st</sup> April 2019 using the modified retrospective method as a lease, wherein the Right of use of assets was created with a corresponding lease liability. Accordingly, the comparatives and other periods presented have not been retrospectively adjusted. The effect of this adoption is not material on the profits for the period.
- 3 The Company has reported segment information as per Indian Accounting Standards 108 - "Operating Segments" (Ind AS 108).
- 4 The Company elected to exercise the non-revisable option permitted under section 115 BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income-tax for the quarter and year ended March 31, 2020 and re-measured its Deferred Tax Liabilities and Assets based on the rate prescribed by the said section. The resultant impact on current tax and deferred tax expenses amounting to ₹ 1575.67 lakhs has been credited to the statement of profit and loss.
- 5 The company has, during the quarter, re-estimated the useful lives of medical equipments based on the assessment of technical life of the assets and economic life of the assets. Consequent to the re-estimation of useful life, the depreciation charge for the quarter and year ended March 31, 2020 is higher by Rs 1092.15 lakhs.
- 6 The figures of the last quarter are the balancing figure between audited figures for the full financial year and unaudited year to date figures upto the third quarter of the respective financial year.
- 7 Figures of the previous period / year have been regrouped / re-arranged wherever necessary to conform to the current period / year presentation.
- 8 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets. The management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Company's assets in future may differ from that estimated as at the date of approval of these financial results.

COIMBATORE  
20.06.2020

  
DR.NALLA G PALANISWAMI '  
MANAGING DIRECTOR  
DIN : 00013536

Segment wise Revenue, Results and Capital Employed

(₹ in lakhs)

Particulars	Quarter ended 31-03-2020	Quarter ended 31-12-2019	Quarter ended 31-03-2019	Year ended 31-03-2020	Year ended 31-03-2019
	Unaudited			Audited	
<b>Segment Revenue</b>					
Healthcare	17,264.75	18,721.97	15,875.20	69,715.48	62,556.64
Education	512.01	465.73	57.23	1,457.40	282.41
<b>Sub-total</b>	<b>17,776.76</b>	<b>19,187.70</b>	<b>15,932.43</b>	<b>71,172.88</b>	<b>62,839.05</b>
Less : Inter-segment revenue	-	-	-	-	-
<b>Revenue from Operations</b>	<b>17,776.76</b>	<b>19,187.70</b>	<b>15,932.43</b>	<b>71,172.88</b>	<b>62,839.05</b>
<b>Segment Results</b>					
Profit/(loss) before interest and tax					
Healthcare	6,270.07	8,198.75	6,471.98	28,416.35	25,498.16
Education	384.96	337.91	60.21	1,138.07	294.32
<b>Sub-total</b>	<b>6,655.03</b>	<b>8,536.66</b>	<b>6,532.19</b>	<b>29,554.42</b>	<b>25,792.48</b>
Less : Finance Cost	427.73	326.70	245.29	1,461.87	1,217.93
Unallocated expenses	4,497.18	4,263.43	3,956.71	16,901.28	15,290.10
<b>Sub-total</b>	<b>4,924.91</b>	<b>4,590.13</b>	<b>4,202.00</b>	<b>18,363.15</b>	<b>16,508.03</b>
<b>Profit before tax (PBT)</b>	<b>1,730.12</b>	<b>3,946.53</b>	<b>2,330.19</b>	<b>11,191.27</b>	<b>9,284.45</b>
<b>Capital employed</b>					
(Segment assets - Segment liabilities)					
<b>(a) Healthcare</b>					
Segment assets	79,338.31	79,891.85	68,885.36	79,338.31	68,885.36
Segment liabilities	(48,792.48)	(50,771.24)	(47,085.43)	(48,792.48)	(47,085.43)
<b>(b) Education</b>					
Segment assets	22,293.19	21,090.72	11,091.48	22,293.19	11,091.48
Segment liabilities	(18,824.97)	(17,580.83)	(3,551.82)	(18,824.97)	(3,551.82)
<b>(c) Unallocated</b>					
Assets	9,089.64	7,397.42	4,984.76	9,089.64	4,984.76
Liabilities	-	-	-	-	-
<b>Total</b>	<b>43,103.69</b>	<b>40,027.92</b>	<b>34,324.35</b>	<b>43,103.69</b>	<b>34,324.35</b>

COIMBATORE  
20.06.2020

  
DR. NALLA G PALANISWAMI  
MANAGING DIRECTOR  
DIN : 00013536

Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors

Kovai Medical Center and Hospital Limited

Opinion

We have audited the accompanying financial results ('the Statement') of Kovai Medical Center and Hospital Limited ('the Company') for the year ended March 31, 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016 (hereinafter referred to as 'the SEBI Circular'); and
- ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit 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 Responsibilities for the Audit of the Statement* 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 ('the 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Statement

This Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit, other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations including SEBI



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Coimbatore - 641 011

Circular. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

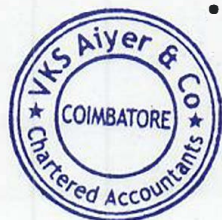
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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 the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



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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 Statement 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; and

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

**Other Matter**

This Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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

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V.S.Srinivasan  
Partner  
Membership No. 013729

UDIN : 20013729AAAABK5985  
Place : Coimbatore  
Date : 20-06-2020





# KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

NABH Accredited Hospital

Excellence in Healthcare

99, Avanashi Road, Coimbatore - 641 014. INDIA | Phone : (0422) 4323800

Fax : (0422) 2627782 | Web : [www.kmchhospitals.com](http://www.kmchhospitals.com) | CIN No : L85110TZ1985PLC001659



June 20, 2020

To

Corporate Relationship Department  
BSE Limited  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P.J.Towers  
Dalal Street, Fort  
Mumbai – 400 001

Dear Sirs,

Sub: Declaration with respect to Auditor's Report with unmodified opinion to the  
Audited Financial Results for the Financial Year ended 31<sup>st</sup> March 2020

Ref: Security ID: KOVAI, Security Code: 523323

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Pursuant to Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we do hereby confirm that the Statutory Auditors of the Company M/s VKS Aiyer & Co., Chartered Accountants, Coimbatore (Firm Registration No. 000066S) have issued an Audit Report with unmodified opinion on the Annual Audited Financial Results of the Company for the Financial Year ended 31<sup>st</sup> March 2020.

Kindly take this declaration on your records.

Thanking you

Yours faithfully

For KOVAI MEDICAL CENTER AND HOSPITAL LIMITED

M.K.RAVINDRA KUMAR  
CHIEF FINANCIAL OFFICER

