

DEVAKI HOSPITAL LIMITED



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Ninth Annual Report 1998 - 99



DEVAKI HOSPITAL LIMITED

ANNUAL REPORT 1998-99

BOARD OF DIRECTORS

Mrs.Chitra Chockalingam,	Chairperson & Managing Director
Dr. A.Venugopal	
Dr. C.R.Sundararajan	
Dr. (Mrs.) Deepa	
Ms. Preetha Chockalingam	
Mrs.Geetha Rajkumar Menon	
Dr.Alfred Rajan	(Alternate Director to Ms.Preetha Chockalingam)

AUDITORS

M/S.CHINNIAH & CO.,
Chartered Accountants

BANKERS

Indian Bank
Bank of Madura Ltd.

REGISTERED OFFICE & HOSPITAL

No.148,Luz Church Road,
Mylapore,
Chennai-600 004.

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NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of the Company will be held on Friday, the 24th Dec, 1999 at 11.00 a.m at Rani Seethai Hall, No.603, Anna Salai, Chennai - 600 006 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1999 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. (a) To elect a Director in the place of Ms. Preetha Chockalingam, who retires by rotation and being eligible, offers herself for re-election.
(b) To elect a Director in the place of Mrs. Geetha Rajkumar Menon, who retires by rotation and being eligible, offers herself for re-election.
3. To appoint Auditors and fix their remuneration. M/s. Chinniah & Co., Chartered Accountants, the existing Auditors retire at the conclusion of this Meeting and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Sec.31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other Statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered such that the following new Articles 50 and 51 in that order are inserted after the existing Article 49 to read as under :

- 50 (a) Every holder of shares in or debentures of the Company may, at any time, nominate in the prescribed manner a person to whom his shares in or debentures of the Company shall vest in the event of his death.
(b) Where the shares in or debentures of the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in or debentures of the Company shall vest in the event of the death of all the jointholders.
(c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the Nominee shall, on the death of the shareholder or holder of debentures of the company or as the case may be, on the death of the jointholder(s) become entitled to all the rights in relation to such shares/debentures to the exclusion of all other persons unless the nomination is varied/cancelled in the prescribed manner.
(d) Where the Nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination in the prescribed manner to appoint any person to become entitled to the shares in or debentures of the Company in the event of his death during minority of the Nominee.
- 51 A Nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, may elect, either
 - (i) to be registered himself as holder of the shares/debentures; or
 - (ii) to make such transfer of shares/debentures as the deceased shareholder(s)/debentureholder(s) could have made
 - (iii) if the Nominee elects to be registered as the holder of the shares/debentures himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder(s)/debentureholder(s), as the case may be;

**NOTICE (Contd...)**

- (iv) he shall be entitled to the same dividend / interest and the other advantages to which he would be entitled to, if he were the registered holder of the shares/debentures except that he shall not, before being registered as a member in respect of the shares/debentures be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares/debentures and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividend, interest, bonus or other moneys payable or rights accruing in respect of the shares/debentures until the requirements of the notice have been complied with.

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

"RESOLVED THAT pursuant to Sec 31 and other applicable provision(s) if any of the Companies Act, 1956, a new Article 3(c) be inserted after the existing Article 3(b) as follows:

3(c). The Company, subject to the provisions of Sec. 77A, 77AA and 77B of the Companies Act, 1956, may purchase its own shares or other specified securities out of the free reserves or the securities premium account or the proceeds of any shares or other specified securities, provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other securities".

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

"RESOLVED THAT consequent to the insertion of new Articles in the Articles of Association of the Company, the relevant serial numbers of the Articles be and are hereby suitably renumbered in serial order".

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

"RESOLVED THAT the consent of the Company be and is hereby accorded to the payment of increased remuneration at Rs. 40,000/- per mensem to Mrs. Chitra Chockalingam, the Managing Director of the Company with effect from 01.10.99."

By Order of the Board
for DEVAKI HOSPITAL LIMITED

CHITRA CHOCKALINGAM
Chairperson & Managing Director

Place : Chennai - 600 004.

Date : 27th Oct, 1999

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY DULY STAMPED AND EXECUTED SHOULD BE SENT SO AS TO REACH THE REGD.OFFICE OF THE COMPANY AT NO.148, LUZ CHURCH ROAD, MYLAPORE, CHENNAI - 600 004, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, IN ORDER TO BE VALID.
2. The relevant explanatory statement pursuant to Sec 173(2) of the Companies Act, 1956 in respect of the Special Business set out in item Nos. 4, 5, 6 & 7 of the Notice is annexed hereto.
3. The Register of Members and The Share Transfer Books of the Company will remain closed from 16th Dec 1999 to 24th Dec 1999 (both days inclusive).
4. Members are requested to notify immediately any change in their address to the Registered Office of the Company.
5. Members/proxies must bring the Original Attendance Slip sent herewith, duly filled in and signed and hand over the same at the entrance of the Meeting Hall before the commencement of the Meeting.
6. Members desirous of seeking clarification, if any, on the audited accounts may please send their requirements to the Regd. Office of the Company atleast a week in advance before the Meeting date by mentioning their Folio No. and the No. of Shares held.
7. Members are requested to bring their copies of the Annual Report sent to them, to the Meeting.
8. Members who wish to avail of nomination facility may kindly fill up the Nomination Form attached with the Annual Report and send the same to the Registered Office of the Company.

**NOTICE (Contd...)****EXPLANATORY STATEMENT PURSUANT TO SEC 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO.4**

Consequent to the Companies (Amendment) Act, 1999, the shareholders of the Company have been given an option to nominate a person to whom the rights of the holders of the shares/debentures shall vest in the event of his death. It would be legally in order if such nomination clause is included in the Articles of Association of the Company.

Your Directors recommend the Resolution for the approval of the Members.

None of the Directors is interested in the Resolution.

ITEM NO.5

With the inclusion of Sec 77A, 77AA & 77B of the Companies Act, 1956 companies are permitted to buy back their own shares for cancellation, if authorised by the Articles of Association. As of now, there is no such enabling provision in the Articles of Association of your Company. Subject to the provisions in the Companies Act, 1956, it is proposed to insert a new Article, viz., Article 3(c) empowering the Company to purchase its own shares. It may be noted that this is only an enabling provision and whenever the Company intends to buy back, consent of the shareholders would be obtained as required under the provisions of Sec 77A, 77AA & 77B of the Companies Act, 1956.

Your Directors recommend the Resolution for the approval of the Members.

None of the Directors is interested in the Resolution.

ITEM NO. 6

As the new Articles are proposed to be inserted in the existing Articles, the serial numbers of the relevant Articles of the Articles of Association of the Company have to be renumbered in serial order.

Your Directors recommend the Resolution for the approval of the Members.

None of the Directors is interested in the Resolution.

ITEM NO. 7

Mrs. Chitra Chockalingam was earlier appointed as the Joint Managing Director of the Company and the said appointment was approved by the Members at the Third Annual General Meeting held on 21.09.93. Subsequently after the resignation of Dr. K. Chockalingam from the position of Chairman and Managing Director, she took over as Chairperson and Managing Director with effect from 20.05.97 without any change in the remuneration although she was entitled to a maximum remuneration of Rs. 72,000/- per mensem under Schedule XIII to the Companies Act, 1956. Considering the labour and attention expended by her in putting the Company on the profit track and further to enable the Company to sustain and improve its growth rate under her able guidance, the Board has thought it fit and proper to suitably remunerate her by increasing the same from Rs. 20,000/- per mensem to Rs. 40,000/- per mensem with effect from 01.10.99. There is no change in the other terms and conditions of her appointment.

Your Directors recommend the resolution for the approval of the Members.

No other Director except Mrs. Chitra Chockalingam, Dr. (Mrs.) Deepa and Ms. Preetha Chockalingam are interested or concerned in the Resolution.

The Explanatory Statement together with the accompanying notice is and should be treated as an abstract of the terms of service of Mrs. Chitra Chockalingam and Memorandum of Interest required to be sent to the shareholders under Sec. 302 Of the Companies Act, 1956.

By Order of the Board
for **DEVAKI HOSPITAL LIMITED**

Place : Chennai - 600 004.

Date : 27th Oct, 1999

CHITRA CHOCKALINGAM
Chairperson & Managing Director



DIRECTORS' REPORT 1998-99

Your Directors have pleasure in presenting the Ninth Annual Report with the Audited Accounts of the Company for the year ended 31st March 1999.

FINANCIAL RESULTS

	(Rs.in lakhs) Year ended	
	31.03.99	31.03.98
Income	629.95	370.75
Gross Profit before Financial Expenses, Depreciation,Preliminary Expenditure etc.	184.80	112.75
Financial Expenses	86.96	73.23
Depreciation	37.71	33.07
Preliminary,Public Issue and Deferred Revenue Expenditure	5.29	5.29
Income Tax	—	—
Net Profit	54.84	1.16
Balance of loss of previous year	123.03	124.19
Loss carried to Balance Sheet	68.19	123.03

REVIEW OF ACCOUNTS

Your Directors are happy to inform that the Company has performed very well during the year under review which may be seen from the increase in Hospital Collections and other Income by Rs.259.20 Lakhs and the consequent increase in Net Profits by Rs. 53.68 Lakhs when compared to the collections and net profits respectively of the previous year ending 31.03.98. Your Directors attribute this to the upgradation of Hospital facilities, bringing to its fold eminent consultants, better occupancy ratio, cost control and cost reduction exercises. However the high interest cost continues to be a thorn in the flesh and the efforts of the Management to source cheaper funds have not so far borne any fruit. Nevertheless the efforts in this direction are still being continued.

DIVIDEND

Despite your Company turning around, your Directors express their inability to recommend any dividend in view of the accumulated losses.

SUBSEQUENT PERFORMANCE

Your Directors are happy to confirm that the growth trend of the Company continues and the Company notched a Gross Income of Rs. 3.66 Crores upto 30th Sep. '99. The Management sincerely believes that once the ongoing developmental work is completed as planned, the Hospital Collections shall improve further to contribute more to the profit margin and barring unforeseen circumstances, the Company may soon be put on the dividend track.