

21st Annual Report

2010 - 2011



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.

(Formerly known as Devaki Hospital Limited)

New No. 72, Old No.148, Luz Church Road, Mylapore, Chennai - 600 004.

BOARD OF DIRECTORS

Mr. A.N. RADHAKRISHNAN	- CHAIRMAN
Mr. G.R. NAVIN RAKESH	- MANAGING DIRECTOR
Ms. PREMALATHA KANIKANNAN	- DIRECTOR
Mr. T.V. VENKATARAMAN	- DIRECTOR
Dr. S. KAMESWARAN	- DIRECTOR
Dr. R. VENKATASWAMI	- DIRECTOR
CHIEF EXECUTIVE OFFICER	- Dr. V. KRISHNAMURTHY
COMPANY SECRETARY	- Mr. T. JEYAPRAGASAM
AUDITORS	- M/s. VARMA & VARMA Chartered Accountants 'Sreela Terrace', Level - 4, Unit-D, 105, 1st Main Road, Gandhi Nagar, Adyar, Chennai - 600 020.
LEGAL ADVISORS	- Mr. A.K. MYLSAMY Advocate, 61, TTK Road, Chennai - 600 018.
BANKERS	- Indian Bank East Abhiramapuram Branch, No.48, Luz Church Road, Mylapore, Chennai - 600 004.
REGISTERED OFFICE	- New No.72, Old No.148, Luz Church Road, Mylapore, Chennai - 600 004.
REGISTRARS AND SHARE TRANSFER AGENT	- M/s. Cameo Corporate Services Ltd. "Subramaniam Building", No.1, Club House Road, Chennai - 600 002. Ph : 28460390-394 / 28460718 Fax : 28460129 E-mail : investor@cameoindia.com

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NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of M/s. Chennai Meenakshi Multispeciality Hospital Ltd will be held on Wednesday the 21st day of September 2011 at 11.00 am at “Sri Venkata Auditorium” Bharatiya Vidya Bhavan, New No.18,20,22, East Mada Street, Mylapore, Chennai - 600 004 to transact the following:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March 2011, the Profit and Loss Statement for the year ended 31st March 2011 and the Auditors' Report thereon.
2. To appoint a Director in the place of Mr. A.N. Radhakrishnan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Dr. S. Kameswaran who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors and fix their remuneration.

BY ORDER OF THE BOARD
For CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

Regd.Office:
New No.72, Old No.148,
Luz Church Road,
Chennai - 600 004.
Date: 12.08.2011

T. JEYAPRAGASAM
COMPANY SECRETARY



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.
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NOTES:

01. 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 THE PROXY NEED NOT BE A MEMBER.
02. Proxy Forms duly completed should reach the Company not less than 48 hours before the commencement of the meeting.
03. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September 2011 to 21st September 2011 (both days inclusive)
04. Members are requested to notify changes if any, in their addresses to the Company's registered office immediately.
05. Members are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the Company for admission to the meeting hall.
06. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary of the Company at least seven days in advance of the meeting so that the information requested can be made readily available at the meeting.
07. Members are requested to bring their copy of Annual Report to the meeting.
08. Brief resume of the Directors seeking re-appointment:

Mr. A.N. Radhakrishnan born on 24.05.1940 holds Masters Degree in Arts with D.Com. He has vast experience in the management of educational institutions. He has established the Meenakshi Ammal Trust in the year 1983 and he is the Trustee of the Trust. The Trust has various educational institutions to its credit. He was appointed as (Executive Chairman) with effect from 29.04.2007 to 28.04.2012 under Schedule XIII of the Companies Act, 1956. Mr.A.N. Radhakrishnan has the vision of augmenting the infrastructure of the hospital to establish a corporate hospital with state of art medical facilities. Under his able guidance and maintenance the performance of the hospital has improved substantially. He is holding 3529447 equity shares in the company. He is a member of Audit Committee. He is not holding any directorship/membership of committee in any other company.

Dr. S. Kameswaran born on 31.07.1923 is a well known ENT Surgeon. He has vast experience in medical field and administration of medical institutions. He was appointed as Additional Director of the company on 31.03.2009 and Director on 29.09.2009. He is not holding any shares in the company. He is a member of Audit Committee, Investors' Grievances Committee and Remuneration Committee. He is not holding any directorship/membership of committee in any other company.

BY ORDER OF THE BOARD
For CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

Regd.Office:
New No.72, Old No.148,
Luz Church Road, Chennai - 600 004.
Date: 12.08.2011

T. JEYAPRAGASAM
COMPANY SECRETARY

DECLARATION

To: The Members of M/s. Chennai Meenakshi Multispeciality Hospital Limited

This is to declare that the Code of Conduct envisaged by the Company for Members of the Board and Senior Management Personnel have been complied with by all the members of the Board and Senior Management Personnel of the Company respectively.

Place : Chennai
Date : 12.08.2011

G.R. NAVIN RAKESH
MANAGING DIRECTOR



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.
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DIRECTORS' REPORT

Your Directors have pleasure in presenting their Report and the Audited Accounts of the Company for the year ended 31st March, 2011.

PERFORMANCE AT A GLANCE:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Gross Income	1273.90	833.57
Profit / (Loss) Before Depreciation, Tax & Financial Expenses	124.13	(82.49)
Financial Expenses	142.41	118.48
Depreciation	61.82	58.31
Profit / (Loss) before Tax and Exceptional Items	(80.10)	(259.28)
Add: Exceptional Item	--	285.80
Profit / (Loss) Before Tax	(80.10)	(545.08)
Provision for Taxation		
a. Current Tax	--	--
b. Fringe Benefit Tax	--	--
c. Deferred Tax Liability	--	(24.99)
d. Income Tax/ FBT of earlier years	--	0.86
Profit / (Loss) for the year carried to Balance Sheet	(80.10)	(520.95)

DIVIDEND

In view of the unavailability of the profit, your Directors express their inability to recommend any dividend for the year.

BUSINESS OPERATIONS

Your company has improved its performance. During the year under review your Company has achieved a gross income of Rs.1273.90 Lakhs as against Rs.833.57 lakhs in the previous year (increase of 52.82%) and reduced the loss to Rs.80.10 Lakhs in the year under review from Rs.545.08 Lakhs during the previous year.

Your company continued its focus on Patient Care and Patient Welfare Services resulting in significant improvement in patient satisfaction levels. We continued our investment in renovation activities, upgradation of medical and engineering equipments.

Your management continued in strengthening the marketing and sales. To achieve this, your management has initiated new marketing techniques based on the current trends which is yielding positive signs.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.
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DIRECTORS

Mr. A.N. Radhakrishnan and Dr. S. Kameswaran are retiring by rotation at this Annual General Meeting and being eligible offer themselves for re-appointment. The Board met 6 times on 30.04.2010; 30.07.2010; 25.08.2010; 30.09.2010; 03.11.2010 and 14.02.2011.

AUDIT COMMITTEE

The Company has constituted Audit Committee and the following are the members:

Mr. T.V. Venkataraman - Chairman, Mr. A.N. Radhakrishnan, Dr. S. Kameswaran and Dr. R. Venkataswami as Members. The Committee met 5 times on 30.04.2010, 30.07.2010, 25.08.2010, 03.11.2010 and 14.02.2011.

DUES TO SSI

During the year under review, there are no outstanding dues amounting to or exceeding Rs.1,00,000/- to any Small Scale Industrial Units by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under the Companies Act, 1956, your Directors wish to state:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that there is no material deviation therefrom.
- Reasonable and prudent accounting policies have been applied in the preparation of the financial statements, that they have been consistently applied and that reasonable prudent judgment and estimates have been made in respect of items not concluded by the year end, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the Loss for the year ended on that date.
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The financial statements have been prepared on a going concern basis.

PUBLIC DEPOSITS

Your Company has not accepted deposits during the year and there are no public deposits fallen due for payment and claimed but not paid as on 31st March, 2011. The total amount of deposit outstanding as at 31st March, 2011 was Rs. 120.35 lakhs.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

Your Company has substantially complied with all applicable Environmental Laws and Labour Laws.

PERSONNEL

During the period under review, there was no employee who came under the purview of Sec.217 (2A) of the Companies Act, 1956 except Dr. V. Krishnamurthy, Chief Executive Officer vide details given in the Annexure.

AUDITORS

M/s.Varma and Varma, Chartered Accountants, Chennai-600 020, the auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.



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REPORT ON CORPORATE GOVERNANCE

Your Company continues to strive towards highest standards of Corporate Governance. The report of Board of Directors on Corporate Governance is given in separate section titled “Report on Corporate Governance” which forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of operations, performance and future outlook of the Company is given separately under the head “Management Discussion and Analysis” and forms part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars required to be disclosed under the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto and the same forms part of this Report. (Annexure - I)

ACKNOWLEDGEMENTS

We are thankful to our Bankers for the cooperation and assistance extended by them. The Board places on record their thanks to the shareholders and the patient public for the confidence reposed by them in the Company and their appreciation for the services and untiring efforts of the Doctors and Employees at all levels, which has helped the Company to run its affairs smoothly.

ON BEHALF OF THE BOARD

Place: Chennai
Date : 12.08.2011

A.N. RADHAKRISHNAN
CHAIRMAN



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.
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ANNEXURE - I TO DIRECTORS' REPORT

FORM-A

Statement of Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to Sec.217(1) (e) read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988.

A. Power and Fuel Consumption	As on 31.03.2011	As on 31.03.2010
01.Electricity		
(a) Purchased		
Units	721610	665888
Total Amount(Rs.)	4,854,110	4,269,962
Rate/unit (Rs.)	6.72	6.41
(b) Own Generation		
Through Diesel generators		
Units	28625	14841
Unit per-litre of Diesel oil	5.35	3.30
Cost/Unit	7.53	11.12
02. Coal	N.A.	N.A.
03. Furnace Oil	N.A.	N.A.
Consumption per unit of Production	N.A.	N.A.

FORM-B

B. TECHNOLOGY ABSORPTION

NIL

NIL

(Form for disclosure of particulars with respect to Technology Absorption)

	As on 31.03.11	As on 31.03.10
Research and Development (R&D):	NIL	NIL
Expenditure on R&D:	NIL	NIL
Technology Absorption, Adoption and Innovation:	NIL	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	As on 31.03.11(Rs.)	As on 31.03.10(Rs.)
a. Total Foreign Exchange earned	NIL	NIL
b. Foreign Exchange outgo	1,57,878	7,72,645



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Statement showing the particulars of Employees of the company as required under Section 217(2A) of the Companies Act, 1956 read with the Companies(Particulars of Employees) Rules, 1975 and forming part of the Report of the Board of Directors for the year ended 31st March, 2011.

Name	Designation And nature of duties	Age (years)	Qualification	Experience (years)	Last employment and post held	Date of commencement of employment	Gross Remune- ration(Rs.)
Dr.V. Krishnamurthy*	Chief Executive Officer	54	M.D., D.M.,	30	Consultant, Rheumatologist, Apollo & Fortis Malar Hospital	01.01.2009	9,090,000

* Not a relative of any Director of the company.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The healthcare industry includes establishments ranging from small-town private practices of physicians who employ only one medical assistant to busy inter-city hospitals that provide thousands of diverse jobs. Hospitals provide complete medical care, ranging from diagnostic services, to surgery, to continuous nursing care for both inpatients and outpatients which require huge trained man power. Healthcare has emerged as one of the most progressive and largest service sectors in India.

OUTLOOK

India's population is expected to cross 1.27 bn by 2016, from 1.11 bn in 2006. Demand for quality healthcare is unlikely to slow anytime. The health of a population tends to improve with the improvement of economic circumstances, but this improvement in overall health does not necessarily decrease the demand for healthcare. Historical evidence suggests that countries with high per capital GDP tend to spend larger percentage of GDP on healthcare. The growing Indian population will translate into an incremental demand for additional beds in future. 65% of the Indian population is below 35 years of age, more than 50% of the population is below 25 years of age and the proportion of geriatric population (60 years and above) is increasing at faster rate than the population. This huge geriatric population is expected to boost demand for the healthcare and related services significantly.



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RISKS AND CONCERNS

The healthcare sector faces many challenges also, as the country looks forward to growth and better standards of medical care. Poor infrastructure, the demand-supply gap in healthcare, geographical accessibility are some notable challenges before the sector.

OPPORTUNITIES AND THREATS

The massive population of India has turned out to be an immense business opportunity across the healthcare industry. Rapidly changing costly technological advances and stiff competition by the newly established hospitals situated adjacent to your hospital are the threat for your Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has independent internal auditors to monitor and review the operations and processes of the Company. The Company also has internal control systems which are in commensurate with its size and nature of its business.

HUMAN RELATIONS

Employee welfare was strengthened with a view to provide the employee the Best Working atmosphere. The number of employees as on 31st March, 2011 was 239.

OPERATIONAL FINANCIAL PERFORMANCE

Your company has improved its performance. During the year under review your Company has achieved a gross income of Rs.1273.90 Lakhs as against Rs.833.57 lakhs in the previous year (increase of 52.82%) and reduced the loss to Rs.80.10 Lakhs in the year under review from Rs.545.09 Lakhs during the previous year.

Your company continued its focus on Patient Care and Patient Welfare Services resulting in significant improvement in patient satisfaction levels. We continued our investment in renovation activities, upgradation of medical and engineering equipments.

DETAILS OF IP AND OP FOR 2010-11 AND 2009-10

Year	Inpatients	Outpatients	Total
2009-10	3345	19807	23152
2010-11	3920	20624	24544

CAUTIONARY STATEMENT

Statements in this management discussion and analysis describing the company's objections, projections, estimates and expectations may be "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include Government regulations, tax laws and significant changes in the political and economic environment in India.