

23rd Annual Report

2012 - 2013



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 & MANAGING DIRECTOR
Mr. G.R. NAVIN RAKESH	- DIRECTOR
Ms. PREMALATHA KANIKANNAN	- DIRECTOR
Mr. T.V. VENKATARAMAN	- DIRECTOR - Till 26.09.2012
Dr. S. KAMESWARAN	- DIRECTOR
Dr. R. VENKATASWAMI	- DIRECTOR
Mr. B. RAMACHANDRAN	- ADDL. DIRECTOR - From 26.09.2012
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, Chennai - 600 004. Punjab National Bank Mylapore Branch, 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 Third Annual General Meeting of M/s.Chennai Meenakshi Multispeciality Hospital Ltd will be held on Wednesday, the 25th day of September, 2013 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 business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, and Profit and Loss Statement and the Cash Flow Statement for the year ended on that date together with Directors' and Auditors' Report thereon.
2. To appoint a Director in the place of Dr. S. Kameswaran who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr. G. R. Navin Rakesh, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/S. Varma & Varma, Chartered Accountants, having registration No.004532S, as the Statutory Auditors of the Company and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. B. Ramachandran who was appointed under Section 260 of the Companies Act, 1956 and other applicable provisions as an Additional Director with effect from 26.09.2012 be and is hereby appointed as a Director of the Company and be liable to retire by rotation.

BY ORDER OF THE BOARD
For CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

T. JEYAPRAGASAM
COMPANY SECRETARY

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

Date: 14.08.2013



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 ON A POLL VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE DULY COMPLETED, STAMPED, SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING AND IN DEFAULT, THE INSTRUMENT OF PROXY SHALL NOT BE TREATED AS VALID.
02. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No.5 as set out above is annexed hereto.
03. The Register of Members and Share Transfer Books of the Company will remain closed from 20th September 2013 to 25th September 2013 (both days inclusive).
04. Members may avail the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registrar and Share Transfer Agent.
05. Since securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, members holding shares in physical form are requested to get their shares dematerialized at the earliest.
06. Members are requested to notify changes if any, in their addresses to the Company's registered office or Company's Registrar and Share Transfer Agent immediately.
07. 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.
08. 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.
09. Members are requested to bring their copy of Annual Report to the meeting.
10. The Company's equity shares are listed at Bombay Stock Exchange Limited(BSE) and Madras Stock Exchange Limited(MSE). The Company has paid the annual listing fees to BSE and MSE for the financial year 2013-14.
11. In terms of Section 219 of the Companies Act, 1956 read with Clause 32 of the Listing Agreement as amended, the company is sending Annual Report to all the members who have not opted for receiving the Annual Report in electronic mode. Full version of the Report is available in the company's website viz. www.cmmh.in. Members desirous of receiving the complete Annual Report may send a request in writing to the Registrars or the Company by post/courier or email with scanned copy of the request.
12. Brief resume of the Directors seeking re-appointment:

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 an 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 and Chairman of both Investors Grievance Committee and Remuneration Committee. He is not holding any directorship/membership of committee in any other company.

Mr. G R. Navin Rakesh born on 29.04.1980 was appointed as Additional Director with effect from 29.04.2012 and as director on 26.09.2012. He is actively associated with the management of various educational institutions belonging to the Meenakshi Ammal Trust and Sri Muthukumaran Educational Trust. He has vast experience in management and administration. He does not hold any shares in the Company. 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: 14.08.2013

T. JEYAPRAGASAM
COMPANY SECRETARY



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.
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EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956.

Item No.5

Appointment of Mr. B. Ramachandran

Mr. B. Ramachandran born on 02.07.1952 has rich experience in banking, accounts and finance and his career in Indian Bank spans over three decades. He was appointed under Section 260 of the Companies Act, 1956 and other applicable provisions as an Additional Director with effect from 26.09.2012 and his term expires at the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director. Accordingly, necessary ordinary resolution under item No.5 of the Notice is placed for the approval of the shareholders. He is not holding any shares in the company.

The Directors recommend the resolution for your approval.

No other director except Mr. B. Ramachandran is interested in the resolution as it relates to his appointment.

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.

T. JEYAPRAGASAM
COMPANY SECRETARY

Date: 14.08.2013

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 : 14.08.2013

A.N. RADHAKRISHNAN
CHAIRMAN & MANAGING DIRECTOR



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.
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DIRECTORS' REPORT

Your Directors have pleasure in presenting their 23rd Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

PERFORMANCE AT A GLANCE:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Gross Income	1622.16	1493.57
Profit / (Loss) Before Depreciation, Tax & Financial Expenses	292.31	231.63
Financial Expenses	153.10	157.55
Depreciation	70.51	67.05
Profit / (Loss) before Tax and Exceptional Items	68.70	7.03
Add: Exceptional Item	--	--
Profit / (Loss) Before Tax	68.70	7.03
Provision for Taxation		
a. Current Tax	--	--
b. Fringe Benefit Tax	--	--
c. Deferred Tax Liability	--	--
d. Income Tax / FBT of earlier years	--	--
Profit / (Loss) for the year carried to Balance Sheet	68.70	7.03

BUSINESS OPERATIONS

During the year under review the operating performance of the Company has shown improvement. Profit Before Tax was Rs.68.70 Lakhs compared to the previous year figure of Rs.7.03 Lakhs and there was no income tax liability. Your Company has achieved a gross income of Rs.1622.16 Lakhs as against Rs.1493.57 Lakhs in the previous year (increase of 8.61%).

Patient Care and Patient Welfare Services have contributed to significant improvement in patient satisfaction levels. Your Company continues renovation activities, upgradation of medical and engineering equipments to suit the present needs.

Your management believes that the strengthening of existing facilities and addition of new facilities and services with restructuring of tariff keeping always the affordability factor in mind will boost the performance to further heights.

OPERATIONAL HIGHLIGHTS

During the year under review, the number of inpatients has gone upto 4174 as against 3964 in the previous year. Similarly, the number of outpatients also gone upto 30289 from 25311 in the previous year. The average occupancy was 80%.

The growth in occupancies and revenues with focus on efficiencies and cost control has led to better performance during the year under review. Your company continued its focus on quality parameters and patient satisfaction.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD. (Formerly known as Devaki Hospital Limited)

DIVIDEND

In view of the insufficient profit, your Directors express their inability to recommend any dividend for the year. Also during the said year no amount has been transferred to reserves.

DIRECTORS

During the year under review Dr. S. Kameswaran and Mr. G. R. Navin Rakesh are retiring by rotation and are seeking reappointment. Mr. B. Ramachandran was appointed as an Additional Director under Section 260 of the Companies Act 1956 on 26.09.2012 and his tenure expires at the ensuing Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director which has been included in the Notice under Special Business for the approval of the members. The Board met five times on 14.05.2012; 13.08.2012; 26.09.2012; 07.11.2012 and 13.02.2013.

AUDIT COMMITTEE

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

Dr. R. Venkataswami - Chairman, Mr. A.N. Radhakrishnan, Dr. S. Kameswaran and Mr. B. Ramachandran as Members.

The Committee met 4 times on 14.05.2012, 13.08.2012, 07.11.2012 and 13.02.2013.

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 except the following.

1. M/S. Ganesh Pharmaceuticals	-	Rs.3,39,859/-
2. M/S. Shree Health Care India	-	Rs.1,41,123/-
3. M/S. Medicine Zone	-	Rs.3,39,598/-
4. M/S. Sri Sai Enterprises	-	Rs.2,10,168/-

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, 2013 and of the Profit 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, 2013. The total amount of deposit outstanding as at 31st March, 2013 was Nil.

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

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

PERSONNEL

A statement concerning employees as required by Section 217(2A) of the Companies Act, 1956 is attached to this report.



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AUDITORS

M/s.Varma and Varma, Chartered Accountants, Chennai-600 020, the statutory auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment as statutory auditors for the financial year 2013-14.

EXPLANATION TO AUDITORS' COMMENTS

Reply to qualification given by the auditors in the Auditors' Report:

Auditors' Qualification: Para 9(a) of the Annexure to the Auditors' Report:

9(a) The company has been fairly regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Sales-Tax and Service Tax with the appropriate authorities during the year ***except for minor delay in stray cases***. According to the information and explanation given to us, there are no undisputed amount payable in respect of Provident Fund, Investors Education and Protection Fund, ESI, Income-Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and any other statutory due which are overdue for a period of more than six months as on the Balance Sheet date ***except for minor delay in stray cases***.

Management's reply:

Due to transition from manual filing to electronic filing relating to various statutory remittances the minor delays occurred. It will be avoided in future.

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)

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.

SUBSIDIARIES

Your Company has no subsidiary.

DEMATERIALIZATION OF SHARES:

Your Company has entered into agreements with the National Securities Depositories Limited(NSDL) and Central Depository Services(India) Limited(CDSL) for dematerialisation of the shares of the company. Accordingly the shares of your company are available for dematerialization and can be traded in Demat form.

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.

ACKNOWLEDGEMENTS

Your Directors are grateful to the Government of India, the Government of Tamilnadu, Bankers, promoters, customers, suppliers and general public for their valuable support. The Directors wish to thank the shareholders for their continued support and also place on record their appreciation for the consistent good work put in by all cadres of employees.

ON BEHALF OF THE BOARD

Place: Chennai
Date : 14.08.2013

A.N. RADHAKRISHNAN
CHAIRMAN & MANAGING DIRECTOR



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 31.03.2013	As on 31.03.2012
01. Electricity		
(a) Purchased		
Units	584991	701279
Total Amount(Rs.)	4,520,870	4,775,710
Rate/unit (Rs.)	7.73	6.81
(b) Own Generation		
Through Diesel generators		
Units	80264	67488
Unit per-litre of Diesel oil	2.85	4.28
Cost/Unit (Rs.)	17.53	10.26
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

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

	As on 31.03.2013	As on 31.03.2012
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 31.03.2013(Rs.)	As on 31.03.2012(Rs.)
a. Total Foreign Exchange earned	NIL	NIL
b. Foreign Exchange outgo	28,97,873	NIL



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD. (Formerly known as Devaki Hospital Limited)

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, 2013.

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	56	M.D., D.M.,	31	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

Indian Healthcare Sector comprises Hospitals and allied sectors such as Medical Care Providers, Diagnostic Services, Laboratories, Medical Equipment Manufacturers, Contract Research Organizations, Pharmaceutical Manufacturers and their party support service providers.

Semi-urban, Rural healthcare sector in the country is also seeing an upsurge. The number of primary health centres has increased largely. Health Insurance market is also growing very fast. Majority of healthcare players are now expanding to tier II and tier III cities also with semi urban areas due to significant demand for high quality, sociality healthcare services and quick treatment modalities.

OUTLOOK

Our country is poised to become the international medical tourism hub given its low cost of treatment as compared to international markets. It is also imperative for the private sector to streamline the business processes and devise cost-effective health care designs to provide affordable treatment to patients. Government too is doing its best to support the healthcare sector.

RISKS AND CONCERNS

The challenges are to control cost of treatment, access to insurance, severe shortage of qualified professionals, training resources, etc.

OPPORTUNITIES AND THREATS

Growing need for more Diagnostic Centers, Single Speciality Delivery Model hospitals, low-cost health care delivery models are some of the opportunities emerging in this field. Further, significant demand supply gap in healthcare infrastructure, changing disease patterns are the opportunities in the healthcare industry. Limited supply of Human Health Care Resources, increase in competition intensity, High Capital investment requirements, obsolescence of medical equipments are the major threats in the industry.

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, 2013 was 217.