

# 25<sup>th</sup> Annual Report

## 2014 - 2015



**CHENNAI  
MEENAKSHI**  
MULTISPECIALITY HOSPITAL

Care that inspires

**CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.**

**(Formerly known as Devaki Hospital Limited)**



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

Ph : 044 - 42938938 Fax : 044 - 24993282

E-mail: [cmmhospitals@gmail.com](mailto:cmmhospitals@gmail.com)

Website: [www.cmmh.in](http://www.cmmh.in)

CIN: L85110TN1990PLC019545



## BOARD OF DIRECTORS

Mr.A.N. RADHAKRISHNAN (DIN: 01508867) - CHAIRMAN & MANAGING DIRECTOR  
 Mr.G.R. NAVIN RAAKESH (DIN: 01692155) - DIRECTOR  
 Ms. PREMALATHA KANIKANNAN (DIN: 01710387) - DIRECTOR  
 Dr.S. KAMESWARAN (DIN: 00255389) - INDEPENDENT DIRECTOR  
 Dr.R. VENKATASWAMI (DIN: 02622178) - INDEPENDENT DIRECTOR  
 Mr.B. RAMACHANDRAN (DIN: 06397113) - INDEPENDENT DIRECTOR

CHIEF EXECUTIVE OFFICER - DR.V. KRISHNAMURTHY  
 CHIEF FINANCIAL OFFICER - Ms. PREMALATHA KANIKANNAN  
 COMPANY SECRETARY - MR.T. JEYAPRAGASAM

AUDITORS - M/s. VARMA & VARMA  
 Chartered Accountants  
 'Sreela Terrace', Level-4, Unit-D, 105, 1<sup>st</sup> Main Road,  
 Gandhi Nagar, Adyar, Chennai - 600 020.  
 Ph: 044-24452239 Email: chennai@varmaandvarma.com

LEGAL ADVISORS - Mr. A.K. MYLSAMY

BANKERS - Indian Bank  
 East Abhiramapuram Branch, Chennai - 600 004.  
 Punjab National Bank  
 Mylapore Branch, Chennai - 600 004.

REGISTERED OFFICE - CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LTD.  
 New No.72, Old No.148, Luz Church Road,  
 Mylapore, Chennai - 600 004.  
 Ph : 044 - 42938938 Fax : 044 - 24993282  
 E-mail: cmmhospitals@gmail.com  
 Website: www.cmmh.in  
 CIN: L85110TN1990PLC019545

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

### CORRECTIONS

Page No.7 - Line No.2  
 Existing : 22<sup>nd</sup> September, 2015 (6.00 pm)  
 To be read as : 22<sup>nd</sup> September, 2015 (5.00 pm)  
Page No.10 - Line No.29  
 Existing : Loss of Rs. (97.20) Lakhs  
 To be read as : Loss of Rs. (97.21) Lakhs  
Page No.41 - Last Line  
 Existing : Date: 28.05.2014  
 To be read as : Date: 28.05.2015

### CONTENTS

	Page No.
01. Notice of A. G. M.	05
02. Directors' Report	10
03. Management Discussion and Analysis	18
04. Secretarial Audit Report	28
05. Corporate Governance	34
06. Information to Shareholders	39
07. Auditors' Report	43
08. Balance Sheet	48
09. Profit & Loss Statement	49
10. Cash Flow Statement	50
11. Notes to Financial Statements	53



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

**FORM A**

**Covering letter of the annual audit report to be filed with the stock exchanges under Clause 31 of the Listing Agreement**

- 
- |   |  |
|---|--|
| 1. Name of the Company                            | Chennai Meenakshi Multispeciality Hospital Limited<br>CIN: L85110TN1990PLC019545                                   |
| 2. Annual financial statements for the year ended | March 31, 2015   |
| 3. Type of Audit observation                      | Matter of Emphasis: Emphasis Matter paragraph included in the Audit Report & Note 3.1 to the Financial Statements. |
| 4. Frequency of observation                       | Appearing for the first time.  |
- 

For Chennai Meenakshi Multispeciality Hospital Limited      Auditor of the Company

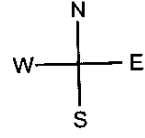
Sd/-  
A.N. Radhakrishnan  
Chairman & Managing Director

Sd/-  
Premalatha Kanikannan  
Chief Financial Officer

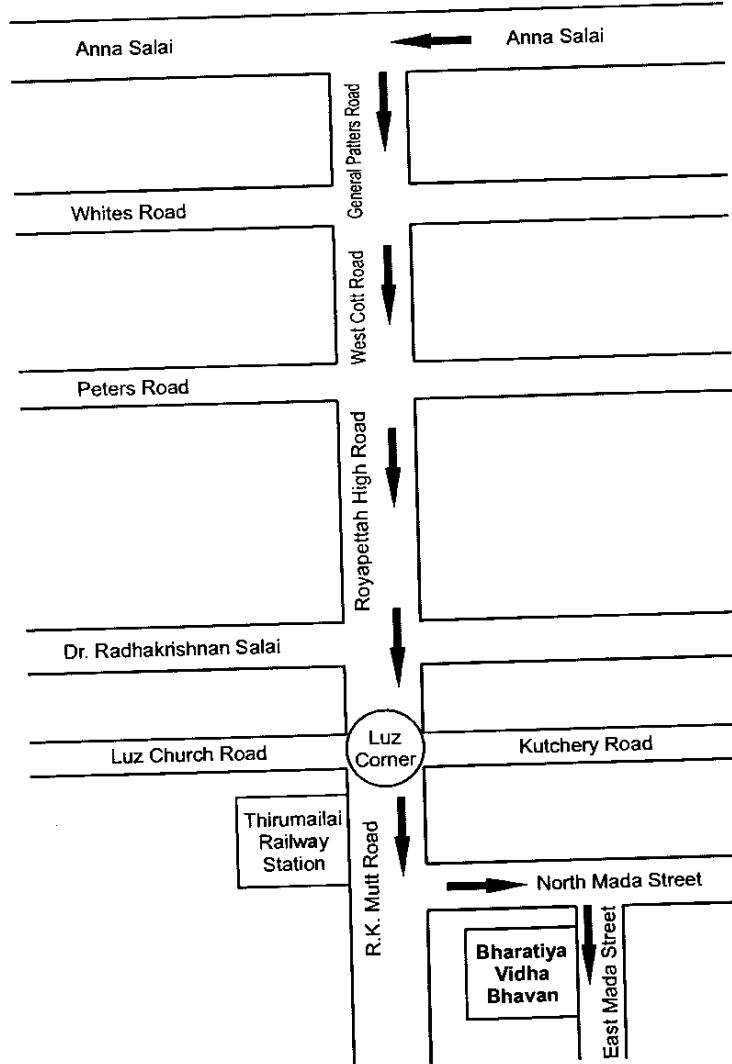
Sd/-  
Dr. R. Venkataswami  
Chairman, Audit Committee

Refer our Audit Report dated  
28.05.2015 on the financial  
statements of the Company.  
For VARMA & VARMA  
Chartered Accountants  
(Firm Registration No.004532S)

Sd/-  
K.M. SUKUMARAN  
Partner  
Membership No.15707  
Chennai  
28.05.2015



### Route Map





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

**NOTICE**

Notice is hereby given that the Twenty Fifth Annual General Meeting of M/s.Chennai Meenakshi Multispeciality Hospital Ltd will be held on Wednesday, the 23<sup>rd</sup> day of September, 2015 at 11.00 am at "Dr. Preetha Reddy Auditorium" Bharatiya Vidya Bhavan, New No.18,20,22, East Mada Street, Mylapore, Chennai - 600 004 to transact the following business:

**ORDINARY BUSINESS:**

**1. ADOPTION OF ACCOUNTS:**

To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2015 and the Profit & Loss Statement and the Cash Flow Statement for the year ended on that date together with Directors' Report and Auditor's Report thereon.

**2. REAPPOINTMENT OF DIRECTORS:**

To appoint a Director in the place of Mr. G.R. Navin Raakesh (DIN: 01692155), who retires by rotation and being eligible offers himself for re-appointment.

**3. RATIFICATION OF AUDITORS' APPOINTMENT:**

To ratify the appointment of auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification(s), the following as an ORDINARY RESOLUTION

"RESOLVED THAT pursuant to provisions of Section 139, 141, 142, 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification, variation or re-enactment thereof, the company do hereby ratify the appointment of M/S. Varma & Varma (FR No.0045325), Chartered Accountants, Chennai, as statutory auditors of the company pursuant to resolution passed by the members at the 24th Annual General Meeting held on 17<sup>th</sup> September 2014 to hold office till the conclusion of the 27<sup>th</sup> Annual General Meeting to be held for the financial year 2016-17 and at such remuneration as may be agreed between the company and the auditors including reimbursement of out of pocket expenses incurred by them in connection with the Company's audit for the financial year 2015-16.

**BY ORDER OF THE BOARD**  
**For CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED**

**T. JEYAPRAGASAM**  
**COMPANY SECRETARY**

**Regd.Office:**

Chennai Meenakshi Multispeciality Hospital Limited,  
New No.72, Old No.148, Luz Church Road, Chennai-600 004.  
CIN: L85110TN1990PLC019545 Ph: 044-42938938 Fax: 044 - 24993282  
E-mail: cmmhospitals@gmail.com; Website: www.cmmh.in

Date: 28.05.2015



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

**NOTES:**

- 01. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERD OFFICE OF THE COMPANY NOT LATER THAN 48(FORTY EIGHT) HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING; IN DEFAULT, THE INSTRUMENT OF PROXY SHALL BE TREATED AS INVALID.**
2. A person shall not act as a proxy on behalf of Members exceeding fifty in number and holding in the aggregate more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item No.3 of the Notice is annexed hereto.
4. Register of Members and Share Transfer Registers will remain closed from 15<sup>th</sup> September, 2015 to 22nd September, 2015 (both days inclusive) in connection with the Annual General Meeting.
5. Members/ Proxies should bring the attendance slip duly filled in and signed and has to be handed over the same at the entrance hall for attending the meeting. Members are requested to indicate their Folio no/ DP ID and Client ID numbers in the attendance slip.
6. As per clause 49 of the Listing Agreement information regarding appointment/re-appointment of Directors is annexed hereto.
7. Members are requested to furnish the details of their nomination (if not already sent) in the prescribed form to M/s. Cameo Corporate Services Limited, Chennai, the Registrars and Share Transfer Agent (RTA) of the company. The prescribed form can be obtained from the Company's Registrar and Share Transfer Agent.
8. 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.
9. 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.
10. In terms of the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, communicated vide General Circular No. 17/2011 dated 21-04-2011 read with General Circular No. 18/2011 dated 29-04-2011, the Annual Reports, notice of meetings and other statutory documents required to be furnished by the Company to the Members can be sent in electronic mode. For this purpose, the Members are requested to register their email addresses with the RTA for receiving the aforesaid information in electronic mode.
- 11. Voting through Electronic Means:**
  - i. In compliance with the provisions of Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).



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

The instructions for members for voting electronically are as under:-

(A) The voting period begins on 20<sup>th</sup> September, 2015 (9:00 am) and ends on 22<sup>nd</sup> September, 2015 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 17<sup>th</sup> September, 2015 (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form / Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of D's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. Sl. No. mentioned in your address label can be used as Sequence No. for the purpose.</li></ul>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or Folio in dd/mm/yyyy format.</p>
Dividend if any Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or Folio.</p> <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / Folio Number in the Dividend Bank details field</li></ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED.



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

- (xi) 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.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) 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 to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non - Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - 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.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 17<sup>th</sup> September, 2015.
- (C) Mr. T. Murugan, Practising Company Secretary (CP No. 4393) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (D) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
- (E) The Results shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the date of AGM of the Company subject to the receipt of requisite number of votes in favour of the resolution. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website '[www.cmmh.in](http://www.cmmh.in)' and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.

BY ORDER OF THE BOARD  
For CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

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

T. JEYAPRAGASAM  
COMPANY SECRETARY

Date: 28.05.2015





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

The following explanatory statement sets out the material facts referring to Item Nos.2 & 3 of the Notice.

**Item No. 2**

**Brief resume of the Director seeking re-appointment:**

Mr. G.R. Navin Raakesh (DIN: 01692155), born on 29.04.1980, a Bachelor of Business Administration has got rich experience in management and administration. He is associated with various institutions of Meenakshi Ammal Trust. He was appointed as Director of the Company on 29.04.2007 and not holding any shares in the Company. He is not holding any directorship/membership of Committee in any other company. He is the Son of Mr. A.N. Radhakrishnan, Chairman and Managing Director of the Company who holds 3653011 equity shares and his mother Mrs. R.Gomathi Ammal holds 408892 equity shares in the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. A.N. Radhakrishnan, Chairman & Managing Director, Mr. Navin Raakesh and Ms. Premalatha Kanikannan, Directors is interested or concerned in the resolution.

**Item No. 3**

At the 24<sup>th</sup> Annual General Meeting held on 17.09.2014, M/S. Varma & Varma (FR No.004532S), Chartered Accountants, Chennai were appointed as auditors of the Company for the financial year for a term of 3 years. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of Companies (Audit and Auditors) Rules, 2014, an audit firm can be appointed as auditors of a Company for not more than two consecutive terms of five years each. For the purpose of calculating the period of 10 consecutive years, the period for which the audit firm had held office as auditors, prior to April 1, 2015, is required to be taken into account. Accordingly, the aforesaid auditors are eligible to be appointed for a maximum period of 3 years until the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company. Provided such appointment is also subject to the ratification by the Members at every Annual General Meeting, till the expiry of their term.

Accordingly, the Company proposes to ratify the appointment of M/S. Varma & Varma (FR No.004532S), Chartered Accountants, Chennai as the auditors of the Company to hold office until the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company.

M/S. Varma & Varma (FR No.004532S), Chartered Accountants, Chennai has consented to the said appointment and issued a certificate to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

Therefore the Board recommends the ratification of appointment of M/S. Varma & Varma (FR No.004532S), Chartered Accountants, Chennai as the auditors of the Company as set out at Item No.3 for shareholder's approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested or concerned in the resolution.

**BY ORDER OF THE BOARD**

**For CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED**

**Regd. Office:**

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

**T. JEYAPRAGASAM**  
**COMPANY SECRETARY**

Date: 28.05.2015

**DECLARATION BY CEO**

This is to declare that the respective Codes 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

**DR. V. KRISHNAMURTHY**  
**CHIEF EXECUTIVE OFFICER**

**A.N. RADHAKRISHNAN**  
**CHAIRMAN & MANAGING DIRECTOR**

Date : 28.05.2015



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

**DIRECTORS' REPORT**

The Directors have pleasure in presenting their 25<sup>th</sup> Annual Report and Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2015.

**PERFORMANCE AT A GLANCE:**

(Rs. in Lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Gross Income	1898.88	1800.20
Profit / (Loss) Before Depreciation, Tax & Financial Expenses	225.77	268.47
Financial Expenses	138.38	139.35
Depreciation	118.71	80.95
Profit / (Loss) Before Tax	(31.32)	48.18
Less: Exceptional Items	65.89	
Tax Expenses:		
a. Current Tax	-	-
b. Fringe Benefit Tax	-	-
c. Deferred Tax Liability	-	-
d. Income Tax for earlier year	-	3.54
Profit / (Loss) for the year carried to Balance Sheet	(97.21)	44.64

**DIVIDEND**

No Dividend has been recommended by the Board in view of losses suffered by the Company in FY 2014-15.

**TRANSFER TO RESERVES:**

As the company has suffered loss, there are no transfers made to Reserves & Surplus during the year under review.

**BUSINESS OPERATIONS:**

The Company has made a gross income of Rs. 1898.88 Lakhs during the year under review (previous year-Rs. 1800.20 Lakhs). The depreciation for the year under review amounted to Rs. 118.71 Lakhs as against Rs. 80.95 Lakhs in the corresponding period of the previous year. The Company has registered a Loss of Rs. (97.20) Lakhs during the year under review as against the profit after tax of Rs. 44.64 Lakhs of the previous year. Increase in employee cost, administrative expenses, repairs & maintenance and depreciation are the main reasons for the decrease in Net Profit. Due to competition by various hospitals located near our hospital the company was compelled to maintain competitive rates for the patients. The Patient Care services underwent improvements which resulted in improved service levels which in turn contributed to the revenue growth.

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 improve the performance to further heights.