

ANNUAL REPORT

2000 - 2001



SEAHORSE HOSPITALS LIMITED

World class Medical Care within your Reach

Board of Directors

Dr. A.K.Gandhi
Chairman and
Managing Director

Capt. V.W.Katre
Director

Capt. S.C.Batra
Director

Capt. A.C. Batra
Director

Dr.T.J. Cherian
Director

Shri. D.V.A. Manoharan
Nominee Director (ICICI)

Shri. K.B. Srinivasan
Director

Shri. B. Kalyanasundaram
Director

Shri. Arvind K Goel
Director

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***SEAHORSE
HOSPITALS
LIMITED***

Financial Institutions & Banks :

The ICICI Ltd

IDBI

IFCI

SBI

PNB

Legal Advisor :

Shri R. SANKARA NARAYANAN

Auditors

M/s. Guru - Varadan

Chartered Accountants

Rosy Towers, IV Floor

8, Mahatma Gandhi Salai

Nungambakkam, Chennai - 600 034

Registered Office :

18, Swamy Shivananda Salai

Chennai - 600 005.

Corp. Office & Hospital Complex :

6, Royal Road, Cantonment

Trichy - 620 001



NOTICE TO THE SHARE HOLDERS

Notice is hereby given that Eighteenth Annual General Meeting of the members of the Seahorse Hospitals Ltd., Tiruchirappalli-1 will be held on 29th September, 2001 at 10.35 a.m at Hotel Sun Plaza, 19, G N Chetty Road, Chennai-6, to transact the following business:-

1. ORDINARY BUSINESS

1.1. To receive, consider and adopt the audited Balance Sheet as at 31.3.2001 and the Profit and Loss Account for the year ended on that date along with the Reports of the Directors and the Auditors thereon.

1.2. To appoint Directors in the place of Capt A C Batra and Capt V W Katre who retire by rotation. They are eligible for re- appointment.

Shri B Kalyanasundaram and Shri Arvind K Goel were co-opted as Directors of the Company by the Board in its meeting held on 30.3.2001. Shri KB Srinivasan was co-opted as Director of the Company in its meeting held on 30.5.2001. All the three of them retire in this Annual General Meeting and are eligible for re- appointment.

1.3. To appoint auditors who will hold office till the conclusion of the next Annual General Meeting and fix their remuneration.

For Seahorse Hospitals Ltd,

Place : Chennai

Date : 30.5.2001

(Dr A K Gandhi)

Chairman and Managing Director

NOTES:

I. 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. Proxies in order to be valid must be lodged with the Company in its Registered Office at least 48 hours before the meeting.

II. The Register of members of the Company will be closed from 18.9.2001 to 30.9.2001 (both days inclusive).

No compliments are issued.

Queries on Agenda items shall reach the corporate office 7 days before the AGM



DIRECTORS' REPORT :

The Board of Directors of your company have pleasure in presenting the Eighteenth Annual Report of the company together with the audited statements of account for the year ended 31.03.2001

1. FINANCIAL RESULTS FOR THE YEAR:

Financial results for the year are as under.

	Amount in Lakhs of Rupees	
	2000-2001	1999-2000
Operating income	585	600
Other Income	8	6
Total Income	<u>593</u>	<u>606</u>
Operating and Administrative Expenses	477	486
Financial Expenses	1126	1012
Depreciation	110	105
	<u>1713</u>	<u>1603</u>
Net Profit (Loss)	(1120)	(997)

Financial expenses constitute 66% of the total expenses. Without taking into account the financial expenses the company has made a net profit of Rs. 6 lakhs after providing for depreciation. However after providing for financial expenses the company has suffered a loss of Rs. 1120 lakhs and hence the Directors regret their inability to recommend any dividend.

In order to achieve a significant reduction in the financial cost, the management, as part of financial restructuring strived to raise funds by way of loan or equity and effecting one time settlement of loans raised from Banks and Financial Institutions. The Chairman and Managing Director has been contacting agencies in India and various other countries for the purpose of exploring the possibilities of raising funds. The outcome of the efforts taken by the Chairman and Managing Director will be placed before the shareholders in due course.

The management continues to abide by its commitment to the society and is quite keen on its motto of "World class health care at affordable price" to all the patients. It is a matter of deep satisfaction that the reputation of the Company is gaining every year after new management took over in the year 1994.



2. Directors :

The Directors Capt V W Katre and Capt A C Batra are retiring by rotation and are eligible for re-election.

Shri B Kalyanasundaram, Shri K B Srinivasan and Shri Arvind K Goel have been co-opted as Directors by the Board. They retire at the Annual General Meeting and are eligible for re-election.

3. Disclosure under section 217(1)(e) of the Companies Act, 1956

The particulars required to be given, as per the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988 are as under:

i. Conservation of Energy

The nature of the business is such that the consumption of energy is not significant when compared to the cost of operation. However all staff and officers have been advised to save energy. Energy audit is continued to take all the measures to conserve energy.

ii. Technology Absorption

The company is necessitated to restrict the updation of technology on account of severe financial constraints. However within the limitation, everything possible was done to acquire, improve and update the technology in various fields of Medicine. Important Medical equipments have been acquired at a cost of Rs.49 lakhs.

iii. Foreign exchange earning and outgo

	Current year	Previous year
	(In Rupees)	
(i) Export and foreign exchanges earned	Nil	Nil
(ii) Value of import of goods on CIF basis	Nil	Nil
(iii) Foreign Travel	217711	308855

4. Particulars of Employees pursuant to Section 217(2A)

No employee is drawing a salary in excess of Rs. 12,00,000 per annum or Rs.100000 per month.

5. Directors' Responsibility Statement pursuant to Sec.217(2AA)

Your Directors report pursuant to Sec. 217 (2AA)

i) that in the preparation of the annual accounts relating to the financial year ending on 31.3.2001, the applicable accounting standards had been followed



and proper explanatory statements had been added relating to material departures, wherever necessary

ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2001 and Loss of the company for the financial year ending on that date.

iii) that the Directors had taken 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.

iv) that the Directors had prepared the annual accounts on a going concern basis.

6. Audit Committee

Pursuant to Sec.292-A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, an Audit Committee has been constituted with Sri K B Srinivasan as its Chairman, Sri Arvind K Goel and Sri B Kalyanasundaram Directors of the company as its members to discharge the functions stated in the said section of the Companies Act, 1956 and as envisaged in the Listing Agreement.

7. Deposits

The company has not accepted any deposits from the public.

8. Personnel

Employer-employee relationship in your company continues to be cordial. Your directors look forward to the same in future.

9. Auditors and their Report

M/s. Guru and Varadan, Chartered Accountants, who were appointed as the Auditors of the Company to audit the statements of Account of the Company, have submitted their report for the financial year 2000-2001.

The Auditors have in their report have indicated that in the event of the Financial Institutions initiating and succeeding in any action for recovery of loans from the Company, the company continuing as a going concern is at substantial risk. The financial institutions have collectively lent over Rs 100 crores to various health care units. Majority of the assisted units are located in Tamil Nadu and the loans have become bad. Every hospital is trying to settle the issue amicably



with the financial institutions and the financial institutions are also considering each such proposal on its merits. Your hospital also is attempting to settle the debts by way of one time settlement and efforts are being made in this direction. Our company has been able to discharge all its debts other than its debts to Financial Institution. Once the dues of the financial institutions are settled, the issue of the applicability of going concern concept would not arise.

The qualifications made by the Auditors in their report are self explanatory. The Auditors M/s Guru & Varadan, Chartered Accountants, Chennai, retire at the conclusion of the Eighteenth Annual General Meeting and are eligible for re-appointment.

10. Acknowledgement

Your Directors wish to thank various Government agencies, the Financial Institutions, State Bank of India and Punjab National Bank for their continued co-operation and the support to the company by them. Your Directors wish to record their appreciation of services rendered by the staff, consultants and officers of the company during the year under report.

For and on behalf of the Board

Place : Chennai
Date : 30.5.2001

(Dr A K Gandhi)
Chairman

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REPORT OF THE AUDITORS TO THE MEMBERS OF M/S SEAHORSE HOSPITALS LIMITED

We have examined the accounts for the year ended 31.03.2001, Balance Sheet as on that date, Profit and Loss Account for the year ended on that date of M/S SEAHORSE HOSPITALS LIMITED and report as under :

1. Our Report on the matters required to be contained in the Report of the MANUFACTURING AND OTHER COMPANIES (AUDITOR'S REPORT) ORDER, 1988 to the extent applicable is contained in the Annexure to this Report.

2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that:

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The Balance Sheet and Profit and Loss Account are in agreement with the books of account;

(d) In our opinion the Profit & Loss account and Balance Sheet comply with the applicable Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 save for provision for gratuity, which is not in accordance with Accounting Standard 15 on "Accounting for retirement Benefits in the Financial Statements of Employers";

(e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss Account together with the Notes thereon give the information required by the Companies Act, 1956 in the manner so required;

(f) On the basis of the written representations received from the directors as on 31st March 2001 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

We draw reference to :

(i) The Company has incurred a net loss of Rs.1120 lacs during the year ended 31.03.2001 and as on 31.03.2001, the total liabilities of the company exceed the assets by Rs. 4130.59 lacs. These factors along with the matters mentioned

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in Note 3(d), raise substantial doubt as to whether the company will continue as a going concern.

(ii) As provided in Note 1 (a), the company has not provided for its liability on gratuity payable to employees on retirement or otherwise, which are accounted on payment basis and the financial effect of it is not ascertainable.

(iii) As provided in Note 2(c), the company has not reconciled the charges payable to financial institutions and the financial effect of the reconciliation can be ascertained only on its completion.

Subject to what is stated in paragraphs (ii) and (iii) above, the accounts give a true and fair view:

In the case of Balance sheet, of the State of the Company's Affairs as at 31.03.2001 and

In the case of the Profit and Loss Account of the Loss for the year ended 31.03.2001.

FOR GURU & VARADAN

Chartered Accountants

Sd/-,

A.S. VARADARAJAN

PARTNER

Place: Chennai.

Date : 30.05.2001

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