

19th Annual Report 2008-2009



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

(Formerly known as Devaki Hospital Limited)

148, Luz Church Road, Mylapore, Chennai - 600 004

BOARD OF DIRECTORS

Mr.A.N. RADHAKRISHNAN

Mr.G.R. NAVIN RAKESH

MS. PREMĀLATHA KANIKANNAN

DR.M. GANAPATHY

MR.T.V. VENKATARAMAN

MR.M. GOPALAKRISHNAN

DR.S. KAMESWARAN

DR.R. VENKATASWAMI

- CHAIRMAN

- MANAGING DIRECTOR

- DIRECTOR

- DIRECTOR (Till 30.03.2009)

- ADDITIONAL DIRECTOR (From 30.01.2009)

- ADDITIONAL DIRECTOR (From 30.01.2009 to 30.03.2009)

- ADDITIONAL DIRECTOR (From 16.03.2009 to 30.03.2009 and From 31.03.2009)

- ADDITIONAL DIRECTOR (From 30.03.2009)

CHIEF EXECUTIVE OFFICER

COMPANY SECRETARY

- DR.V. KRISHNAMURTHY

- MR. T. JEYAPRAGASAM

AUDITORS

M/S. VARMA & VARMA

Chartered Accountants

'Sreela Terrace', Level - 4, Unit -D, No.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, Chennai – 600 004.

REGISTERED OFFICE

148, Luz Church Road, Mylapore, Chennai - 600 004.

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CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of Chennai Meenakshi Multispeciality Hospital Ltd will be held on Tuesday, the 29th day of September 2009 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 2009, the Profit and Loss Statement for the year ended 31st March 2009 and the Auditors' Report thereon.
2. To appoint a Director in the place of Mrs. Premalatha Kanikannan who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS:

APPOINTMENT OF MR.T.V. VENKATARAMAN:

Item No.4

To consider and if thought fit, to pass the following resolution as an Ordinary Resoluton:

"RESOLVED THAT Mr.T.V. Venkataraman who was appointed under Section 260 of the Companies Act,1956 and other applicable provisions as Additional Director with effect from 30.01.2009, be and is hereby appointed as Director of the Company and be liable to retire by rotation. The Company has received a notice under Sec.257 of the Companies Act , 1956, from a member proposing his candidature for the office of the Director."

APPOINTMENT OF DR. S. KAMESWARAN:

Item No.5

To consider and if thought fit, to pass the following resolution as an Ordinary Resoluton:

"RESOLVED THAT Dr. S. Kameswaran who was appointed under Section 260 of the Companies Act,1956 and other applicable provisions as Additional Director with effect from 31.03.2009, be and is hereby appointed as Director of the Company and be liable to retire by rotation. The Company has received a notice under Sec.257 of the Companies Act , 1956, from a member proposing his candidature for the office of the Director."

APPOINTMENT OF DR. R VENKATASWAMI :

Item No.6

To consider and if thought fit, to pass the following resolution as an Ordinary Resoluton:

"RESOLVED THAT Dr. R Venkataswami who was appointed under Section 260 of the Companies Act,1956 and other applicable provisions as Additional Director with effect from 30.03.2009, be and is hereby appointed as Director of the Company and be liable to retire by rotation. The Company has received a notice under Sec.257 of the Companies Act , 1956, from a member proposing his candidature for the office of the Director."

BY ORDER OF THE BOARD

For **CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED**

Regd.Office:

No.148,Luz Church Road,

Chennai-600 004

Date: 29.08.2009

T. JEYAPRAGASAM
COMPANY SECRETARY



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

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. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item Nos 4,5 and 6 as set out above is annexed hereto.
03. Proxy forms duly completed should reach the Company not less than 48 hours before the commencement of the meeting.
04. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2009 to 29th September, 2009 (both days inclusive).
05. Members are requested to notify changes if any, in their addresses to the Company's registered office immediately.
06. 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.
07. 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.
08. Members are requested to bring their copy of Annual Report to the meeting.
09. Brief resume of the Directors seeking re-appointment:

Mrs. Premalatha Kanikannan: Mrs. Premalatha Kanikannan, born on 24.07.1969, a post graduate in Engineering has got rich experience in management and administration and she is associated with various institutions of Meenakshi Educational Trust. She was appointed as Additional Director and became a Director of the Company since 27.04.2007. She is not holding any shares in the Company. She is not holding any directorship/membership of committee in any other company.

Mr. T. V. Venkataraman: Mr.T.V. Venkataraman born on 23.11.1935, is a retired Indian Administrative Service Officer. He held a number of senior positions in Government of Tamilnadu. He was the Home Secretary, Government of India. He was the Chairman of Chennai Port Trust and retired as the Chief Secretary, Government of Tamilnadu. He has good exposure in Administration, Finance and Accounting fields. He was appointed as an Additional Director of the Company on 30.01.2009. He is not holding any directorship/membership of committee in any other company. He is the Chairman of the Audit Committee, investors' Grievances Committee and Remuneration Committee of the Company. He is not holding any shares in the Company.

Dr. S. Kameswaran: 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 16.03.2009 and resigned on 30.03.2009. He was again appointed as an Additional Director of the Company on 31.03.2009. 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.

Dr. R. Venkataswami: Dr. R. Venkataswami born on 10.01.1933 is a well known plastic surgeon. He has vast experience in medical field. He was appointed as an Additional Director of the Company on 30.03.2009. 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.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.4

A notice proposing the candidature of Mr. T. V. Venkataraman for the membership of the Board has been received from one of the shareholders.

Mr.T.V. Venkataraman born on 23.11.1935, is a retired Indian Administrative Service Officer. He held a number of senior positions in Government of Tamilnadu. He was the Home Secretary, Government of India. He was the Chairman of Chennai Port Trust and retired as the Chief Secretary, Government of Tamilnadu. He has good exposure in Administration, Finance and Accounting fields. He was appointed as an Additional Director of the Company on 30.01.2009. He is not holding any directorship/membership of committee in any other company.

The Board recommends the approval of the shareholders. None of the Directors of the Company is interested or concerned in the resolution except Mr.T.V. Venkataraman.

Item No.5

A notice proposing the candidature of Dr. S. Kameswaran for the membership of the Board has been received from one of the shareholders.

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 16.03.2009 and resigned on 30.03.2009. He was again appointed as an Additional Director of the Company on 31.03.2009. 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.

The Board recommends the approval of the shareholders. None of the Directors of the Company is interested or concerned in the resolution except Dr. S. Kameswaran.

Item No.6

A notice proposing the candidature of Dr. R Venkataswami for the membership of the Board has been received from one of the shareholders.

Dr. R. Venkataswami born on 10.01.1933 is a well known plastic surgeon. He has vast experience in medical field. He was appointed as an Additional Director of the Company on 30.03.2009. He is not holding any shares in the Company. He is member of Audit Committee, Investors' Grievances Committee and Remuneration Committee. He is not holding any directorship/membership of committee in any other company.

The Board recommends the approval of the shareholders. None of the Directors of the Company is interested or concerned in the resolution except Dr. R. Venkataswami.

BY ORDER OF THE BOARD
For CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

Regd.Office:
No.148,Luz Church Road,
Chennai-600 004
Date: 29.08.2009

T. JEYAPRAGASAM
COMPANY SECRETARY



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

DIRECTORS' REPORT

The Board of Directors of M/s Chennai Meenakshi Multispeciality Hospital Ltd have pleasure in presenting the Nineteenth Annual Report of your Company for the year ended 31st March, 2009 together with the Audited Statement of Accounts.

PERFORMANCE AT A GLANCE:

Rs. In Lakhs

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Gross Income	259.25	331.75
Profit/(Loss) Before Depreciation & Tax	(211.88)	(196.54)
Financial Expenses	94.35	62.96
Depreciation	54.49	48.81
Profit/(Loss) before Tax	(360.72)	(308.31)
Provision for Taxation		
a. Current Tax	-	-
b. Fringe Benefit tax	0.75	1.95
c. Deferred Tax Liability	(45.62)	12.35
d. Income Tax for previous years	2.92	0.43
Net Profit / (Loss)	(318.77)	(323.04)
Total Amount available for Appropriation	-	-
Profit/(Loss) carried to Balance Sheet	(318.77)	(323.04)

DIVIDEND

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

BUSINESS OPERATIONS

During the year under review your Company has achieved a gross income of Rs. 259.25 Lakhs as against Rs.331.75 lakhs in the previous year and suffered a loss of Rs.318.77 Lakhs as against the loss of Rs.323.04 lakhs during the previous year.

The new management headed by Mr.A.N. Radhakrishnan took charge of the affairs of the Company only in April 2007. The new management has taken a number of steps to improve the performance of the Company. The period under review was not upto expectations. To revamp the outdated systems, operating departments and the delegation of powers and duties, the Company took up several steps. Your management felt the urgent need to strengthen the marketing and sales. To achieve this, your management has initiated new marketing techniques based on the current trends which is yielding positive signs.

The management has initiated various steps to bring into operation the total capacity of 100 beds. At present on an average 35% of the beds are occupied. It is expected that the full capacity will be utilized in the coming periods. Further, the management has taken various steps to bring into fold number of Third Party Administrators to attract more patients and this has resulted in positive results in earning revenue. Certain new lines of treatment were introduced to improve the overall performance.

FUTURE OUTLOOK

The present management has inducted experienced Consultant Doctors in various fields, strengthening of existing facilities and addition of new facilities and services coupled with restructuring of tariff keeping always the affordability factor in my mind. These will boost the occupancy rate of the hospital. The management is focusing its attention to further strengthen its infrastructure and other facilities. There is already sign of improvement in the operation and revenue generation. It is hoped that there will be growth in the overall development of the hospital in the ensuing periods.



OPPORTUNITIES AND THREATS

With the advent of private insurance and the emergence of India as a medical tourism destination, there has been a growth in volume in super-speciality hospitals, which have teams of specialists, sophisticated equipments, links to other medical centers and the ability to treat a complex range of ailments. Our Country is in need of speciality hospitals to the growing population. Existing hospitals situated very close to your hospital pose the threat of stiff competition. Your management, with strict enforcement of reducing the operational cost is expected to overcome this threat.

RISKS AND CONCERNS

Health care industry is generally prone to non availability of super speciality medical consultants. Your Company is not an exception to this. Your Hospital continues to enjoy the advantages of an excellent location supported by the existing Senior consultants, is confident of continuing to grow and invest in suitable expansion opportunities. The inadequate focus on continued academic and research particularly in the field which is witnessing rapid strides in diagnostic technologies, new molecules for varied ailments, sub-specialisation needs and better knowledge sharing methodologies are the areas of concern for the industry.

CORPORATE GOVERNANCE

The Company is observing the Corporate Governance and a separate report on Corporate Governance forms part of this Annual Report. The Company has appointed Independent Directors to fulfill the requirements of Corporate Governance,

DIRECTORS

During the year Messers T.V. Venkataraman and Dr.M. Gopalakrishnan were appointed as Additional Directors with effect from 30.01.2009. Dr.S. Kameswaran was appointed as Additional Director with effect from 16.03.2009. Dr.R. Venkataswami was appointed as an Additional Director with effect from 30.03.2009. Dr.S. Kameswaran, Dr.M. Gopalakrishnan, Additional Directors and Dr.M. Ganapathy, Director have resigned with effect from 30.03.2009. Dr.S.Kameswaran was again appointed as an Additional Director with effect from 31.03.2009. The Board places on record the contribution made by the then Directors, Messers T.V. Venkataraman, Dr.S. Kameswaran and Dr. R. Venkataswami, Additional Directors are proposed to be appointed as Directors in the ensuing Annual General Meeting. The Company had received notices from members proposing the appointment of Messers T.V. Venkataraman, Dr.S. Kameswaran and Dr.R. Venkataswami as Directors of the Company. The Board met on 28.04.2008, 26.07.2008, 29.08.2008, 27.09.2008, 30.09.2008, 31.10.2008 and 30.01.2009.

Mrs.Premalatha Kanikannan, Director is retiring at this AGM and being eligible offers herself for reappointment.

AUDIT COMMITTEE

During the year the Audit Committee was reconstituted with the following :

Mr. T. V. Venkataraman – Chairman, Mr. A.N. Radhakrishnan, Dr. S. Kameswaran and Dr. R. Venkataswami as Members. The Committee met on 28.04.2008, 26.07.2008, 29.08.2008, 31.10.2008 and 30.01.2009. Dr. M. Ganapathy and Mrs. Premalatha Kanikannan were ceased to be the Members of the Audit Committee during the year.

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:

- (a) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there is no material deviation therefrom:
- (b) 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, 2009 and of the Loss for the year ended on that date.



- (c) 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.
- (d) The financial statements have been prepared on a going concern basis.

PUBLIC DEPOSITS

Your Company has accepted deposits to the tune of Rs. 114.35 lakhs and renewed existing deposits to the tune of Rs.6.00 lakhs during the year and there are no public deposits fallen due for payment and claimed but not paid as on 31st March, 2009. The total amount of deposit outstanding as at 31st March, 2009 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.

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.

EXPLANATION TO AUDITORS' COMMENTS

- 01. Auditors' qualification: Refer para 4(g) I of the Auditors' Report
Management's Reply: The management is in the process of obtaining confirmation of balances.
- 02. Auditors' qualification: Refer para 4(g) II of the Auditors' Report – Note No.10 (a) of the Notes on Accounts
Management's Reply: The matter is before the Honourable High Court of Madras and is sub-judice.
- 03. Auditors' qualification: Refer para 4(g) III of the Auditors' Report – Note No.10 (b) of the Notes on Accounts
Management's Reply: The matter is before the Honourable High Court of Madras and is sub-judice.
- 04. Auditors' qualification: Refer para 3(a) of the Annexure to the Auditors' Report – Note No.10 (b) of the Note on Accounts.
Management's Reply: Please refer management reply given for para 4(g) II above.
- 05. Auditors' qualification: Refer para 4 of the Annexure to the Auditors' Report.
Management's Reply: The Internal Control procedure is being strengthened wherever required.
- 06. Auditors' qualification: Refer para 9 (a) of the Annexure to the Auditors' Report.
Management's Reply: Due to funds crunch there were some delays.

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 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 the 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 : 29.08.2009

A.N. RADHAKRISHNAN
CHAIRMAN



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

ANNEXURE – I

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 31.03.2009	As on 31.03.2008
01.Electricity		
(a) Purchased		
Units	469983	5,38,565
Total Amount(Rs.)	2,568,045	3,263,128
Rate/Unit (Rs.)	6.10	6.06
(b) Own Generation		
Through Diesel generators		
Units	14841	13636
Unit per-litre of Diesel oil	3.30	3.40
Cost/Unit	11.12	11.00
02. Coal	N.A.	N.A.
03. Furnace Oil	N.A.	N.A.
Consumption per unit of Production	N.A.	N.A.
B.TECHNOLOGY ABSORPTION	NIL	NIL

FORM-B

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

	As on 31.03.09	As on 31.03.08
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 31.03.09(Rs.)	As on 31.03.08(Rs.)
a. Total Foreign Exchange earned	NIL	NIL
b. Foreign Exchange outgo	NIL	28,30,740/-

The number of Inpatients and Outpatients during the year 2008-09 were 1435 and 10484 respectively as compared to 1667 and 5065 during the previous year.



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The present steady economic growth in our Country is leading to increased spend on Healthcare. Healthcare industry in our Country is growing manifold and the Indian Healthcare infrastructure is fast improving with initiatives by the Government and the Private sector. The Industry is expected to grow at a much faster rate in future and offers abundant opportunities for service providers. India is likely to reach a bed to thousand population ratio of 1.85 by the year 2012.

OUTLOOK

The increase in the life expectancy coupled with lifestyle diseases has resulted in in-patients spending and it is expected that the spending will be double of the total healthcare expenditure in the coming years. Since this is a Capital oriented Industry, your Company is taking efforts to meet the growing requirements of Capital. Your Company is inducting experienced doctors and personnel to meet the present day requirements of patients. After the appointment of the leading Rheumatologist Doctor V. Krishnamurthy, there is substantial improvements in the activities as well as overall performance and it is expected that this trend will manifold in the coming years. The Management is taking steps to develop marketing and sales in order to improve the activities and also to meet the competition in the field.

Your Company is taking steps to increase the occupancy capacity to attract more inpatients. Your Company is also taking efforts to improve the working of the Outpatient Department and to expand the Laboratory, Testing, Dialysis and other clinical areas which will yield improved revenue. Though your Company is taking steps to improve the overall performance, the above statements are only forward looking and could be affected by internal / external factors.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company makes it a point to comply with the requirements of the Code of Corporate Governance (Code introduced by the Securities and Exchange Board of India (SEBI) and incorporated in Clause 49 of the Listing Agreement in all material aspects, stipulated for listed companies. The company also makes it a point to comply with all the applicable legal provisions in letter and spirit.

The following is the report on the practices of the company on major aspects of corporate governance:

2. BOARD OF DIRECTORS

At present the Board is functioning with three non-independent Directors and three independent Directors as required in Clause 49 of the Listing Agreement. It is pertinent to note that neither the Executive Chairman Mr.A.N. Radhakrishnan nor the Managing Director Mr.G.R. Navin Rakesh is drawing any salary or avail any benefits and perks from the Company.

Physical Attendance of each Director since April 2008 at the Board Meetings and the last AGM.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

Name of the Director	Category	No. of Board Meetings Attended	No. of Outside Directorship held	Attendance at the last AGM
1.Mr.A.N. Radhakrishnan	Chairman, Executive Non Independent	7/7	-	No
2.Mr.G.R. Navin Rakesh	Managing Director Executive Non Independent	4/7	-	No
3.Ms. Premalatha Kanikannan	Director -Non Executive Non - Independent	2/7	-	No
4.Dr.M. Ganapathy *	Director -Non Executive Non- Independent	5/7	-	Yes
5.Mr.T.V. Venkataraman *	Addl. Director - Non Executive Independent	0/7	-	NA
6.Dr.M. Gopalakrishnan **	Addl. Director - Non Executive Independent	0/7	-	NA
7.Dr.S. Kameswaran **	Addl. Director - Non Executive Independent	0/7	-	NA
8.Dr.R. Venkataswami **	Addl. Director - Non Executive Independent	0/7	-	NA

* Dr.M. Ganapathy, Director resigned on 30.03.2009

* Mr.T.V. Venkataraman, Additional Director was appointed on 30.01.2009,

** Dr.M. Gopalakrishnan, Additional Director was appointed on 30.01.2009 and resigned on 30.03.2009.

** Dr.S. Kameswaran, Additional Director was appointed on 16.03.2009 and resigned on 30.03.2009 and again appointed on 31.03.2009.

** Dr.R. Venkataswami, Additional Director was appointed on 30.03.2009.

None of the directors is a member of more than ten board level committees or a Chairman of more than five such committees as required under Clause 49 of the Listing Agreement.

NUMBER OF SHARES HELD BY THE DIRECTORS IN CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED:

1.Mr.A.N. Radhakrishnan-3529447; Mr.G.R.Navin Rakesh, Ms.Premalatha Kanikannan, Mr.T.V.Venkataraman, Dr.S. Kameswaran and Dr.R. Venkatawami - Nil

Disclosure of Non-Mandatory Requirements:



Chairman's office expenses incurred in performance of his duties are not reimbursed by the company.

3. BOARD MEETINGS:

The total number of Board Meetings held from 01.04.2008 to 31.03.2009 were 7 on the following dates:

1) 28.04.2008, 2) 26.07.2008, 3) 29.08.2008, 4) 27.09.2008, 5) 30.09.2008, 6) 31.10.2008 and 7) 30.01.2009.

AUDIT COMMITTEE:

A Terms of reference and Composition, of the Members and Chairman:

Consequent upon the resignation of Dr.M.Ganapathy, the Audit Committee was reconstituted with Mr.T.V. Venkataraman as Chairman of the Audit Committee and Mr. A. N. Radhakrishnan, Dr.S. Kameswaran and Dr. R. Venkataswami as members. The audit committee met five times during the year on 20.04.2008, 26.07.2008, 29.08.2008, 31.10.2008 and 30.01.2009, Mr.T.V. Venkataraman, Dr.S. Kameswaran, Dr.R. Venkataswami, Additional Directors are Non-Executive Independent Directors. Due to non availability of suitable persons the company had appointed independent directors as required in the Listing Agreement only during the last quarter of the year 2008-09 and complied with the Listing Agreement.

The Audit Committee was mandated with the same Terms of Reference specified in Clause 49 of the Listing Agreements with Stock Exchanges. The current Terms of Reference fully conform to the requirements of Section 292A of the Companies Act, 1956. The Audit committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly/half-yearly/annual financial statements, reviewing with the management the financial statements and adequacy of internal audit function, recommending the appointment/re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations and also statutory compliance issues. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

Mr. T. Jeyapragasam, Company Secretary acted as the Secretary of the Committee.

4. INVESTORS GRIEVANCES COMMITTEE:

Due to the resignation of Dr. M. Ganapathy, the Investors Grievance Committee was reconstituted with Mr.T.V. Venkataraman as Chairman and Dr. R. Venkataswami as member to look into all the communications received from the shareholders, and complaints from stock exchanges.

5. REMUNERATION COMMITTEE

Consequent to the resignation of Dr. M. Ganapathy, the Remuneration Committee was reconstituted with Mr.T.V. Venkataraman as Chairman and Dr.S. Kameswaran and Dr.R. Venkatasawami as Members to fix salary, allowances and other perks to senior level personnel as and when appointed by the Company

REMUNERATION POLICY: The Remuneration Policy of the Company for the managerial personnel is based on the performance potential and performance of the individual/personnel.

CEO/CFO CERTIFICATION : CEO/CFO Certification by Dr. V. Krishnamurthy, Chief Executive Officer and Mr. G.R. Navin Rakesh, Managing Director as required under Clause 49 (V) of the Listing Agreement was placed before the Board at its meeting held on 29.08.2009



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

5. ANNUAL & GENERAL BODY MEETINGS:

Particulars	Date	Time	Venue
E.GM	14.06.2006	02.00 p.m	"Sri Venkata Auditorium", Bharatiya Vidya Bhavan, East Mada Street, Mylapore, Chennai-600 004
2005-06 A.GM	27.12.2006	10.30 a.m	"Sri Venkata Auditorium", Bharatiya Vidya Bhavan, East Mada Street, Mylapore, Chennai-600 004
E.GM	21.11.2007	11.00 a.m	"Sri Venkata Auditorium", Bharatiya Vidya Bhavan, East Mada Street, Mylapore, Chennai-600 004
2006-07 A.GM.	27.12.2007	10.00 a.m.	"Sri Venkata Auditorium", Bharatiya Vidya Bhavan, East Mada Street, Mylapore, Chennai-600 004
2007-08 A.GM.	30.09.2008	11.00 am	"Sri Venkata Auditorium", Bharatiya Vidya Bhavan, East Mada Street, Mylapore, Chennai-600 004
Adjourned to	07.10.2008	11.00 am	"Sri Venkata Auditorium", Bharatiya Vidya Bhavan, East Mada Street, Mylapore, Chennai-600 004

Details of Special Resolutions passed in the last three Annual General Meetings:

Date of AGM/ EGM	Whether any Special Resolution Passed	Particulars
14.06.06(EGM)	Yes	1. For increase of Authorised Share Capital from Rs.10.00 Crores to Rs.15.00 Crores.
		2.Alteration of Articles of Association to incorporate powers for issue of Share Warrants.
		3.for issue of Share Warrants upto 63,20,000 Warrants.
21.11.2007(EGM)	Yes	for change of name of the Company from 'Devaki Hospital Ltd', to 'Chennai Meenakshi Multispeciality Hospital Ltd' and alteration of Name Clause of the Memorandum of Association and Articles of Association.

No Special Resolution was passed through Postal Ballot during last year. No Special Resolution requiring voting by Postal Ballot is included in the notice convening the ensuing 19th Annual General Meeting of the Company.

Sittings Fees paid to Non –Executive directors are detailed below:

Dr.M. Ganapathy – Rs.2500/- : Mrs. Premalatha Kanikannan – Rs.1000/-

7. DISCLOSURES:

1. Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the company at large.

Details are given elsewhere in the Annual Report. Please refer Notes on Accounts.

2.Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to Capital during the last seven years is nil.



7. MEANS OF COMMUNICATION

Half –Yearly report sent to the each household of shareholder

— No

Quarterly Results

— No. The results of the Company are published in the newspapers

Any website where displayed

— www.cmmhl.in

Whether it is also displayed in

Official news papers

— No

The presentation made to institutional

Investors or to analysts

— No

News paper in which results are normally published

— Financial Express and Malai Murasu

SHAREHOLDERS' INFORMATION

1. Date of Book Closure : 23.09.2009 to 29.09.2009.(Both days inclusive)

2. Date & Venue of Meeting : 11.00 a.m. on Tuesday, the 29th day of September 2009 at "Sri Venkata Auditorium" Bharatiya Vidya Bhavan, New No.18,20,22, East Mada Street, Mylapore, Chennai-600 004

3. Dividend Payment (in %) : NIL

4.Financial Calenders : Financial Reporting for

Quarter ending June 30, 2009 - end of July 2009, Quarter ending September 30, 2009 - end of October 2009, Quarter ending December 31, 2009 - end of January, 2010;

Year ending March 31, 2010 - end of April 2010.

Annual General Meeting for the year ended March 31, 2010 - end of September 2010

5. Listing of Equity Shares : The Bombay Stock Exchange Ltd, Mumbai & Madras Stock Exchange Ltd, Chennai.

6. Audit Qualification : Please see Auditors' Report and Directors' Report

7.Training of Board Members : The Company is planning to arrange for training to the Directors

8. Mechanism for evaluating non-executive Board Members. The Company has not contemplated any Peer Groups for evaluation of the performance of non-executive Directors. This will be implemented in due course.

9. Whistle Blower Policy: Not yet established Whistle Blower Policy. This will be established in due course.

Registrar and Share Transfer Systems :

In due compliance with SEBI norms, the Company has entrusted the share transfer work both physical as well as electronic transfers to the transfer agents mentioned below:

M/S. CAMEO CORPORATE SERVICES LIMITED

Subramaniam Building, No.1, Club House Road, Chennai -600 002.

Phone No.28460390 – 394 & 28460718; Fax:28460129, Email: cameosys@satyam.net.in



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

Secretarial Department

No.148, Luz Church Road, Mylapore, Chennai-600004; Phone No. 044-24992607/24990788

Share Transfer System.

The company has a Share Transfer Committee that normally meets twice a month and according to the necessity. The shares received are usually transferred within a period of 10 to 15 days from the date of receipt, subject to their validity.

SHARE HOLDERS / INVESTOR GRIEVANCE AND SHARE TRANSFER COMMITTEE:

The Shareholders / investor Grievance Share Transfer Committee was reconstituted consequent on the joining of new Independent Directors and it is headed by- Mr.T.V. Venkataraman as Chairman and Dr. S. Kameswaran and Dr.R.Venkataswami being the other Members of the Committee. The Company has attended to the investors' complaints and redressed them within 15 days from the date of their receipt during the year 2008-2009.

No.of Complaints Received	No.of Complaints Cleared	Pending Complaints
7	7	Nil

Nomination Facility

Investors are eligible to file their nomination against shares held under physical mode.

The facilities of nomination is not available to non-individuals shareholders such as societies, trust, bodies corporate, karta of Hindu undivided Families and holders of Power of Attorney.

Investors are advised to avail this facility, especially investors holding securities in single name, to avoid the process of transmission by law. Investors holding shares held in electronic form, the nomination has to be conveyed to your Depository participants directly, as per the format prescribed by them.

Details of Capital Changes since Incorporation

S.No	Year	Authorised Capital (Rupees)	Date	Paid – Up Capital		Paid up Capital (Rupees)
				No. of Shares	Amount (Rs)	
1.	1990	4,00,00,000	22.08.1990	70	700	700
2.	1992	4,00,00,000	22.01.1992	34,50,000	3,45,00,000	3,45,00,000
3.	1994	4,00,00,000	24.08.1994	54,600 –Forfeited	5,46,000	3,39,54,000
4.	Sept.-1994	5,00,00,000	—	—	—	3,39,54,000
5.	1994	5,00,00,000	29.11.1994	15,00,000	1,50,00,000	4,89,54,000
6.	Sept-1998	10,00,00,000	—	—	—	4,89,54,000
7.	2004	10,00,00,000	24.05.2004	54,600-Reissue of forfeited shares	5,46,000	4,95,00,000
8.	May 2005	10,00,00,000	03.05.2005	24,00,000	2,40,00,000 Premium Rs.36,00,000	7,35,00,000
9.	Oct. 2005	10,00,00,000	14.10.2005	1,18,920	11,89,200 Premium Rs.21,10,830	7,46,89,200
10.	June 2006	15,00,00,000	14.06.2006	—	—	7,46,89,200



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

1. Distribution of Shareholding as on 21.08.2009

Sl. No	Category	No. of Shares	% of Holding
1.	Promoters	3529447	47.26
2.	Persons acting in Concert	422111	5.65
3.	Mutual Funds	10900	0.15
4.	Corporate Bodies	353264	4.73
5.	Resident Indians	3086495	41.32
6.	Non-Resident Indians	66303	0.88
7.	Clearing Members	400	0.01
	GRAND TOTAL	7468920	100.00

2. Range of Holding as on 21.08.2009

Range Of Holding	Number of Shareholders	Percentage
Upto 5000	8034	1196952
5001-10000	433	381882
10001-20000	159	252129
20001-30000	57	145769
30001-40000	27	98198

Range Of Holding	Number of Shareholders	Percentage
40001-50000	41	196078
50001-100000	40	307658
100001-and above	39	4890254
Total	8830	7468920

Dematerialisation of Shares

6557349 no of shares comprising 87.79% of the Paid up Capital have been dematerialized as on 21.08.2009

Stock History at BSE April 2008 to March 2009 (In Rs.)

MONTH	HIGH (Rs.)	LOW (Rs.)
April 2008	19.55	12.00
May 2008	21.80	14.70
June 2008	19.55	14.10
July 2008	20.70	12.10
Aug. 2008	16.70	13.05
Sep. 2008	15.05	08.64

MONTH	HIGH (Rs.)	LOW (Rs.)
Oct. 2008	10.25	05.80
Nov. 2008	07.15	04.82
Dec. 2008	07.35	04.61
Jan. 2009	07.00	05.50
Feb. 2009	06.99	05.20
Mar. 2009	07.33	05.09

3. Out Standing GDRs / ADRs / Warrants/ etc.

There are no convertible instruments outstanding, which could increase the paid up equity capital of the Company.

Registered Office

148, Luz Church Road, Mylapore, Chennai - 600 004. E. Mail : meenakshi@cmmhl.in Website : www.cmmhl.in

4. Stock Code: BSE 523489

5. Address for Correspondence:

Investors' Complaints on the above may be addressed to:

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

Shareholders holding shares in Electronic mode should address all their correspondence to their respective Depository Participant.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

Auditors' Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s)

To

The Members of

Chennai Meenakshi Multispeciality Hospital Limited, Chennai.

1. We have examined the compliance of conditions of Corporate Governance by M/s. Chennai Meenakshi Multispeciality Hospital Limited for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement) issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement *except that the Company has appointed stipulated number of independent directors in its Board* (as under Class 49 1A(ii) and in any of the Committees of the Board (as under class 49 IIA(i)) towards the end of the year.
4. We further state that such a compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Varma & Varma
Chartered Accountants

K.M. Sukumaran
Partner
M. No.15707

Place: Chennai
Date : 31.08.2009



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

AUDITORS' REPORT

To,
The Members,
Chennai Meenakshi Multispeciality Hospital Limited
Chennai - 600 004.

1. We have audited the attached Balance Sheet of M/s. Chennai Meenakshi Multispeciality Hospital Limited as at 31st March 2009, Profit and Loss Account and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditors Report) Amendment Order 2004 issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. 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 *except as stated in para 4 g below*;
 - 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on 31st March 2009, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) Attention is invited to Note No.2 in schedule P attached to financial statements regarding the going concern status of the company. As stated therein, the Company has been continuously incurring cash losses for the past two years and also the Current Liabilities as at the year end exceeds the Current Assets by Rs.137,327. However the Financial Statements are prepared under Going Concern basis for the reasons stated therein.
 - g)
 1. As stated in Note No. 1(b), Balances of Loans and Advances, Sundry Debtors, Creditors and some of the Bank Balances are subject to confirmation;



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

- II As stated in Note No.10(a) Loans and Advances include a sum of Rs. 1,85,80,412, (Rs. 1,85,80,412) due from former Directors of the Company. The balances due as on 31st March 2009 as above are subject to confirmation. The accuracy or recoverability of the said amounts is not ascertainable by us and hence we are unable to express an opinion on the recoverability of this amount at this stage;
- III As stated in Note No.10(b), a counter claim has been filed against the Company before the Honorable High Court of Madras by one of the former Directors for an amount of Rs.3,94,00,000 together with interest @ 15%, which is pending, the effect of which on accounts is not ascertainable by us at this stage.

5.

- (a) Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said Assets read with the notes on accounts attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- b. in the case of the Profit and Loss Account, of the loss for the year ended on that date ;
- and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For VARMA & VARMA
Chartered Accountants

Place: Chennai
Date : 31.08.2009

K.M Sukumaran
Partner
M. No. 15707



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT REPORT OF EVEN DATE

1.

- a) The company is maintaining records showing particulars, including quantitative details and situation of fixed assets.
- b) As per the information and explanations furnished to us, the Fixed Assets of the company have been physically verified by the Management as at the year end, which in our opinion is reasonable having regard to the size of the business and nature of its assets.
- c) The company has not disposed off any part of fixed assets during the year.

2.

- a) According to the explanation given to us, inventories comprising of pharmacy items and consumables have been physically verified by the management during the year.
- b) We are of the opinion that the procedure followed by the management in regard to physical verification of inventories is reasonable and adequate in relation to the size of the company and nature of its business.
- c) On the basis of our examination of the books of account of the company we are of the opinion, that the company is maintaining proper records of inventory in respect of pharmacy items. As per the information and explanation furnished to us, no material discrepancies are found on such physical verification as compared to the books and records maintained by the company.

3.(a) The company has not granted any loans or advances, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 *other than the amount due from the former Managing Director and a former Director as mentioned in para g(II) of our main report, the terms of which including recoverability or otherwise of these assets cannot be ascertained by us at this stage.*

- (b) As explained to us the company has not taken any loans or advances in the nature of loans from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 other than as given below:

No. of Parties	Amount Involved (Max. Amount O/S)	Amount Outstanding As on 31-03-2009
13	Rs. 114,068,874	Rs. 114,020,434

- (c) In our opinion, the terms and conditions of the above loan/deposits taken from parties listed in the register to be maintained under section 301 of the Companies Act, 1956 are not prima-facie prejudicial to the interests of the Company.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

- (d) As per the information and explanations furnished to us, for loans included in para 3(b) above, repayment terms of principal amount has not been stipulated/ fixed as yet. While there is no repayment of principal amount during the year, the interest due on the above loan as agreed has been duly provided for in the accounts. In respect of deposits accepted and included in para 3(b) above, the repayment of principal and interest is as agreed.
4. *In our opinion and according to the information and explanations given to us, the internal control procedures for purchase of pharmacy and other consumables and fixed assets and for sale of goods and services requires to be strengthened.* However in our opinion, we have not observed any continuing failure to correct any major weakness in respect of the internal controls in any of the above areas.
- 5.a) In our opinion and according to the information and explanation provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered/updated.
- b) According to the information and explanation provided by the management, there are no transactions entered with the aforesaid parties for value exceeding Rs.5 lacs in each case have been made at prevailing market rates having regard to the nature of service.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A, 58AA and other relevant provisions of the Companies Act 1956, under the rules framed there under in respect of deposits accepted from public.
7. In our opinion, the company has an internal audit system done by a firm of Chartered Accountants which is commensurate with its size and nature of its business.
8. As per the information and explanations furnished to us the company is not required to maintain cost records under section 209(1) (d) of the companies Act, 1956.
- 9.(a) *There has been delays in depositing undisputed statutory dues including Provident Fund, Income Tax, and Property Tax, with the appropriate authorities during the year.* 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 Balance Sheet date.
- (b) According to information and explanations given to us and records of the company examined by us, there are no disputed amounts of tax/duty/cess, which has not been deposited with the authorities as at 31.03.2009.
10. The accumulated loss at the end of the financial year is more than 50% of net worth of the company. The company has incurred cash losses during the year and also in the immediately preceding financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to banks and financial institutions, considering the re-schedulement of the loan availed.
12. In our opinion, and according to the information and explanations furnished to us, the company has not granted any loans or advances on the basis of securities by way of pledge of shares, Debentures and other securities.
13. In our opinion, the provisions of any special statute applicable to chit funds and nidhi /mutual fund/ Society are not applicable to the Company.
14. In our opinion, and according to the information and explanations furnished to us, the company is not dealing or trading in shares, securities, debentures and other investments.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
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15. According to the information and explanations given to us, during the year the company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not availed any fresh term loan during the year except for the unsecured loan taken from a director during the year, for repayment of loan taken from Indian Bank and to meet day to day requirements of the company. However there is no formal agreement for the above loan.
17. According to the information and explanations given to us, and an overall examination of the Balance sheet of the company, in our opinion short term funds are not used for long term purposes.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of public issue during the year.
21. Based upon the audit procedures performed and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed during the year.

**For Varma & Varma
Chartered Accountants**

**Place : Chennai
Date : 31.08.2009**

**K.M Sukumaran
Partner
M. No. 15707**



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

148, LUZ CHURCH ROAD, MYLAPORE, CHENNAI-600 004

BALANCE SHEET AS AT 31.03.2009

Particulars	Schedule	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SOURCES OF FUNDS			
(1) Shareholders' Funds:			
(a) Capital	A	74,689,200	74,689,200
(b) Reserves & Surplus	B	5,984,030	5,984,030
(2) Loan Funds:			
(a) Secured Loans	C	29,493,859	39,273,473
(b) Unsecured Loans	D	77,259,339	44,603,640
Deferred Tax Liability		2,498,539	7,060,236
TOTAL		189,924,967	171,610,579
II. APPLICATION OF FUNDS			
(1) Fixed Assets	E		
(a) Gross Block		176,808,642	172,095,046
(b) Less: Depreciation		64,788,740	59,682,007
(c) Net Block		112,019,902	112,413,039
(d) Capital Work in Progress		422,000	422,000
(2) Current Assets, Loans & Advances	F		
Current Assets			
(a) Inventories		1,547,597	1,966,193
(b) Sundry Debtors		1,394,729	1,326,646
(c) Cash & Bank Balances		1,984,705	1,489,879
(d) Other current Assets		749,474	232,211
(e) Loans and Advances		25,475,293	24,538,729
		31,151,798	29,553,658
Less: Current Liabilities & Provisions	G		
(a) Current Liabilities		27,027,698	10,056,558
(b) Provisions		4,261,427	6,886,617
		31,289,125	16,943,175
Net Current Assets		(137,327)	12,610,483
(3) Profit & Loss Account	H		
		77,620,392	46,165,057
TOTAL		189,924,967	171,610,579
Significant Accounting policies, Notes to Accounts and Additional information as per Schedule -	P		

For and on behalf of the Board

As per our report of even date attached

A.N. Radhakrishnan
Chairman

G.R.Navin Rakesh
Managing Director

For VARMA & VARMA
Chartered Accountants

T. Jeyapragasam
Company Secretary

K.M. Sukumaran

Partner - M.N.15707

Place : Chennai

Date : 31.08.2009

Place : Chennai
Date : 29.08.2009



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

148, LUZ CHURCH ROAD, MYLAPORE, CHENNAI-600 004

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2009

Particulars	Schedule	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
I. INCOME			
Hospital Collections	I	24,454,438	32,448,198
Other Income	J	1,471,281	726,694
Total		25,925,719	33,174,892
II. EXPENDITURE			
Hospital Operations Expenses	K	15,181,085	18,773,212
Payments to & Provisions for Employees	L	19,574,994	21,239,928
Administrative & Other Expenses	M	11,935,509	12,816,094
Interest & Finance Charges	N	9,434,594	6,296,097
Depreciation	E	5,449,114	4,880,517
Total		61,575,296	64,005,848
Loss before Tax		35,649,577	30,830,956
Less : Provision for Taxation:			
Current Tax			-
Fringe Benefit Tax		75,000	195,000
Deferred Tax		(4,561,697)	1,235,044
Income Tax/FBT of earlier years		292,452	43,298
Loss for the Year carried to Balance Sheet		31,455,332	32,304,298
Earnings Per Share (Equity Shares of Rs.10/- each fully paid up)	O	(4.21)	(4.33)
Significant Accounting policies, Notes to Accounts and Additional information as per Schedule	P		

For and on behalf of the Board

As per our report of even date attached

A.N. Radhakrishnan
Chairman

G.R.Navin Rakesh
Managing Director

For VARMA & VARMA
Chartered Accountants

T. Jeyapragasam
Company Secretary

K.M. Sukumaran

Place : Chennai
Date : 29.08.2009

Partner - M.N.15707
Place : Chennai
Date : 31.08.2009



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

148, LUZ CHURCH ROAD, MYLAPORE, CHENNAI-600 004

SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2009

Particulars	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
<u>Schedule- A</u>		
<u>SHARE CAPITAL</u>		
Authorised		
1,50,00,000 Equity Shares of Rs.10/- each (1,50,00,000 Equity shares of Rs. 10/- each)	150,000,000	150,000,000
<u>Issued, Subscribed & Paid Up</u>		
74,68,920 Equity Shares of Rs.10/- each (74,68,920 Equiry Shares of Rs.10/- each)	74,689,200	74,689,200
Total	74,689,200	74,689,200
<u>Schedule- B</u>		
<u>RESERVES & SURPLUS</u>		
Share Premium	5,710,830	5,710,830
Capital Reserve - As per last Balance Sheet	273,200	273,200
Total	5,984,030	5,984,030
<u>Schedule- C</u>		
<u>SECURED LOANS</u>		
Over Draft from Indian Bank	4,993,859	14,773,473
Term Loan from Director	24,500,000	24,500,000
Total	29,493,859	39,273,473
<u>Schedule- D</u>		
<u>INSECURED LOANS</u>		
From Director	65,224,339	43,368,640
Public Deposits	12,035,000	1,235,000
Total	77,259,339	44,603,640

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SCHEDULE OF FIXED ASSETS

Schedule - E

SL NO	PARTICULARS	GROSS BLOCK AT COST					DEPRECIATION				NET BLOCK	
		AS AT 01.04.2008 (RS.)	ADDITION FOR THE YEAR (RS.)	DELETION DURING THE YEAR (RS.)	AS AT 31.03.2009 (RS.)	RATE%	AS AT 01.04.2008 (RS.)	FOR THE YEAR (RS.)	DELETION / TRANSFER (RS.)	AS AT 31.03.2009 (RS.)	AS AT 31.03.2009 (RS.)	AS AT 31.03.2008 (RS.)
1	Land - Freehold	37,656,837 (37,656,837)	— —	— —	37,656,837 (37,656,837)	— —	— —	— —	— —	— —	37,656,837 (37,656,837)	37,656,837 (37,656,837)
2	Building - Freehold	28,352,329 (28,352,329)	— —	— —	28,352,329 (28,352,329)	1.63 —	4,915,521 (4,453,378)	462,143 (462,143)	— —	5,377,664 (4,915,521)	22,974,665 (23,436,808)	23,436,808 (23,898,951)
3	Improvement on leased building	11,039,814 (11,039,814)	— —	— —	11,039,814 (11,039,814)	3.34 —	4,104,062 (3,735,332)	368,730 (368,730)	— —	4,472,792 (4,104,062)	6,567,022 (6,935,752)	6,935,752 (7,304,482)
4	Plant & Machinery	81,882,452 (63,772,735)	3,674,201 (18,109,717)	440,248 —	85,116,405 (81,882,452)	7.07 —	41,105,478 (37,695,604)	3,864,345 (3,409,874)	342,381 —	44,627,442 (41,105,478)	40,488,963 (40,776,974)	40,776,974 (26,977,131)
5	Electrical Fittings	5,117,385 (5,117,385)	355,077 —	— —	5,472,462 (5,117,385)	7.07 —	3,734,011 (3,517,863)	227,439 (216,148)	— —	3,961,450 (3,734,011)	1,511,012 (1,383,374)	1,383,374 (1,599,522)
6	Furniture and Fittings	3,398,378 (3,295,569)	864,142 (102,809)	— —	4,262,520 (3,398,378)	6.33 —	3,100,928 (2,918,606)	204,939 (182,322)	— —	3,305,867 (3,100,928)	956,653 (297,450)	297,450 (376,963)
7	Vehicle	818,049 (466,532)	— (351,517)	— —	818,049 (818,049)	9.50 —	399,538 (321,823)	77,715 (77,715)	— —	477,253 (399,538)	340,796 (418,511)	418,511 (144,709)
8	Ambulance	1,031,628 —	— (1,031,628)	— —	1,031,628 (1,031,628)	11.31 —	67,769 —	116,677 (67,769)	— —	184,446 (67,769)	847,182 (963,859)	963,859 —
9	Office Equipments	205,475 (161,098)	— (44,377)	— —	205,475 (205,475)	4.75 —	105,298 (97,025)	9,760 (8,273)	— —	115,058 (105,298)	90,417 (100,177)	100,117 (64,073)
10	Computer	2,592,699 (2,208,564)	260,424 (384,135)	— —	2,853,123 (2,592,699)	16.21 —	2,149,402 (2,061,859)	117,366 (87,543)	— —	2,266,768 (2,149,402)	586,355 (443,297)	443,297 (146,705)
	Capital WIP*											
	Total	172,095,046	5,153,844	440,248	176,808,642		59,682,007	5,449,114	342,381	64,788,740	112,019,902	112,413,039

Previous year (152,070,863) (20,024,183) — (172,095,046) (54,801,490) (4,880,517) — (59,682,007) (112,413,039) (97,269,373)

* Figures in brackets represent corresponding previous year figures.



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SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2009

PARTICULARS	Rs.	As on 31.03.2009 Rs.	Rs.	As on 31.03.2008 Rs.
Schedule- F				
CURRENT ASSETS, LOANS & ADVANCES				
A. Current Assets				
a) Inventory				
1) Pharmacy Stock	957,988		1,203,565	
2) Chemicals and Consumables	489,973		690,972	
3) Stores and Spares	12,205		14,248	
4) Stationery	87,431	1,547,597	57,408	1,966,193
b) Sundry Debtors (Unsecured):				
Considered Good				
Debtors outstanding for a period exceeding six months	284,828		4,172	
Other Debts	1,109,901		1,322,474	
Considered doubtful:-				
Less : Provision for Doubtful Debts.	-	1,394,729	352,648	1,326,646
c) Cash & Bank Balances				
Cash-on- hand	121,385		86,021	
Balance with scheduled Banks in:				
1) Current Account	1,178,562		538,172	
2) Term Deposits	684,758		684,759	
Unpaid Dividend Account	-	1,984,705	180,927	1,489,879
d) Other Current Assets				
Accrued Income - IP Collection	342,244		232,211	
Prepaid Expenses	407,230	749,474	-	232,211
B. LOANS & ADVANCES				
(Unsecured, considered good)				
Debts due by Former Directors:				
Chitra Chockalingam (maximum amount out * Standing at any time Rs.181.45 Lakhs)	18,145,606		18,145,606	
Deepa Chockalingam (maximum amount out * standing at any time Rs.4.34 Lakhs)	434,806		434,806	
Advances recoverable in cash or in kind or for value to be received	5,745,028		4,812,173	
Advance Tax / Fringe Benefit Tax				
Income Tax /TDS Receivable	1,149,853		1,146,144	
		25,475,293		24,538,729
Total		31,151,798		29,553,658



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CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED (FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED) # 148, LUZ CHURCH ROAD, MYLAPORE, CHENNAI-600 004				
SCHEDULES ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2009				
PARTICULARS	Rs.	As on 31.03.2009 Rs.	Rs.	As on 31.03.2008 Rs.
<u>Schedule- G</u>				
<u>CURRENT LIABILITIES & PROVISIONS</u>				
<u>A. CURRENT LIABILITIES</u>				
Sundry Creditors				
(a) Dues to Micro, Small and Medium Enterprises				
(b) Others	14,640,824	14,640,824	4,238,822	4,238,822
(c) Interest Payable on				
(i) Secured/Unsecured loan due to a director	10,793,404		4,354,791	
(ii) Public Deposit	276,570	11,069,974	45,000	4,399,791
Other Liabilities		1,316,900		1,251,100
Investor Education & Protection Fund shall be credited by the following amount which is not due:				
(a) Unpaid Dividend				166,845
		27,027,698		10,056,558
<u>B. PROVISIONS FOR</u>				
Income Tax			3,200,000	
Fringe Benefit tax	75,000		195,000	
Gratuity	3,163,431		2,656,975	
Compensated Absence	1,022,996		834,642	
		4,261,427		6,886,617
Total		31,289,125		16,943,175
<u>Schedule- H</u>				
<u>PROFIT & LOSS ACCOUNT</u>				
Loss carried from last Balance sheet		46,165,060		13,860,759
Loss for the year carried forward from Profit & Loss Account		31,455,332		32,304,298
Total		77,620,392		46,165,057



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SCHEDULES ATTACHED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT AS AT 31.03.2009

PARTICULARS	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
<u>Schedule- I</u>		
<u>HOSPITAL COLLECTIONS</u>		
In-patient Collections	17,459,181	21,727,278
Out - patient Collections	3,092,037	3,898,333
Catering Collections	1,181,610	1,239,542
Nursing School Collections	1,089,247	2,222,650
Pharmacy Collections	6,759,663	9,508,281
	29,581,737	38,596,084
Less: Payments to Outside Consultants	(5,127,299)	(6,147,886)
Total	24,454,438	32,448,198
<u>Schedule- J</u>		
<u>OTHER INCOME</u>		
Interest Income	23,413	59,872
Rent from Consultants	352,400	135,500
Ambulance Charges received	4,041	12,150
Ethic Committee Income	-	15,000
Miscellaneous Income	520,807	504,172
Exchange Fluctuation	41,386	-
Provision Written Back	529,233	-
Total	1,471,281	726,694
<u>Schedule- K</u>		
<u>HOSPITAL OPERATION EXPENSES</u>		
Pharmacy Consumption	5,028,407	6,907,094
Lab, X-ray & Other Dept. Consumption	2,175,744	2,231,617
Power & Electricity	3,031,301	3,413,128
House-Keeping & Laundry Expenses	107,618	508,182
Oxygen Purchase	541,068	503,296
Water Charges	973,648	923,793
Fee for in-house Doctors	1,634,670	2,836,333
Diet and Catering Expenses	1,388,629	1,449,769
Total	15,181,085	18,773,212



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SCHEDULES ATTACHED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT AS AT 31.03.2009

PARTICULARS	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
<u>Schedule- L</u>		
<u>PAYMENTS TO & PROVISIONS FOR EMPLOYEES</u>		
Salaries, Wages and Incentives	15,592,612	16,465,178
Executive Director's Remuneration		40,000
Staff Welfare	138,753	86,550
Contribution to PF	1,818,267	2,194,766
Leave Encashment	578,481	690,224
Gratuity	1,446,981	1,763,210
Total	19,574,994	21,239,928
<u>Schedule- M</u>		
<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
Rent (including Lease and Equipment Hire charges)	1,289,200	1,322,750
Printing & Stationery	379,130	515,810
Postage & Telephone charges	433,958	571,397
Advertisement Expenses	318,904	440,580
Travelling & Conveyance	373,538	476,811
Rates & Taxes	958,019	1,077,555
Insurance Premium	23,086	170,826
Prior Period Expenditure	2,315,841	-
Legal and Professional Charges	1,240,805	1,691,531
Directors' Sitting Fees	3,500	8,500
Service Charges	596,287	849,494
Auditors Fees:		
For Statutory Audit	80,000	60,000
For Tax Audit	20,000	15,000
For Certification	50,000	40,000
Nursing School Expenses	1,182,322	2,092,555
Repairs & Maintenance:		
Building	1,090,115	1,271,156
Plant & Machinery	881,494	960,570
Others	540,745	248,236
Bank Charges & Commission	52,060	69,945
Exchange Fluctuation	-	5,980
Miscellaneous Expenses	106,506	574,750
Provision for Bad Debts	-	352,648
Total	11,935,509	12,816,094



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SCHEDULES ATTACHED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT AS AT 31.03.2009

PARTICULARS	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
<u>SCHEDULE-N</u>		
<u>INTEREST & FINANCE CHARGES</u>		
a) Interest on Fixed Loans		10,278
b) Interest on Other Loans	9,371,121	6,173,908
c) Finance Charges	63,473	111,911
Total	9,434,594	6,296,097
<u>SCHEDULE-O</u>		
<u>EARNINGS PER SHARE</u>		
Net Loss as per Profit & Loss a/c	31,455,332	32,304,298
No. of shares as on 31.03.2008		
(Weighted avg no. of shares as on 31.03.2009)	7,468,920	7,468,920
Earning per Share (Basic and diluted)	(4.21)	(4.33)



M/S. CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL

(Formerly Known as Devaki Hospital Limited)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS FOR THE
YEAR ENDED 31.03.2009

Schedule - P

1. SIGNIFICANT ACCOUNTING POLICIES.

(A) Basis Of Preparation Of Financial Statements:

The financial statements are prepared under the historical cost convention, in accordance with the provisions of the Companies Act, 1956 and the Companies (Accounting Standards) Rules 2006, as adopted consistently by the Company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

(B) Revenue Recognition:

Income from Hospital collection including the Pharmacy sales is accounted for on accrual basis on raising the invoices and is exclusive of Value Added Tax (for pharmacy sales). The service rendered by the Company to in-patients till the year end, and not due has been treated as IP Collection Accrued (pending bill) under 'Other Current Assets'.

(C) Inventory:

Inventories are valued at cost or net realizable value whichever is lower. Inventories include Medicines, Lab Chemicals, Consumables stores and spares.

(D) Fixed Assets:

- a) Fixed Assets are stated at cost less Accumulated Depreciation. All costs including financial costs till the asset is ready for use are Capitalized / Allocated to various items of Fixed Assets. The costs of improvement to Leased Assets are capitalized.
- b) Fixed Assets acquired under Hire - Purchase agreements are capitalized to the extent of principal value, while finance charges are charged to revenue on accrual basis.
- c) An asset is treated as impaired when the carrying cost of such asset exceeds its recoverable value as contained in AS 28 (Impairment of Assets) issued by the Companies (Accounting Standard Rules), 2006. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized during a prior accounting period is reversed if there has been a change in the estimate of the recoverable amount.

Depreciation :

- d) Depreciation on Fixed Asset is provided on straight-line method in accordance with the Schedule XIV of the Companies Act 1956. Costs of Improvement to leased Assets are amortized over the period of the Lease.



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(E) Foreign Currency Transactions:

Foreign Currency transactions are recorded at the Exchange rates prevailing on the date of transaction. Monetary items appearing in the Balance Sheet as at the year-end are converted at the exchange rate prevalent as on that date and the difference, if any, is charged/credited to Profit and loss A/C, as the case may be.

(F) Employee Benefits:

a. Defined Contribution

Contribution to the Provident Fund is made on monthly basis, at the rate prescribed by the Employees' Provident Fund and Miscellaneous Provisions Act, 1971 and is charged to the Revenue.

b. Defined Benefit

The Accrued liability towards gratuity due to employees on their retirement is ascertained on the basis of actuarial valuation as at the year end and duly provided for.

c. Compensated Absences

Liability towards Long Term Compensated absences is determined on the basis of actuarial valuation as at the year end and duly provided for.

(G) Taxation:

Provision for Income Tax and Fringe Benefit Tax are made in accordance with the Provisions of the Income Tax Act, 1961. Timing differences between accounting income and taxable income capable of being reversed in subsequent years are recognized as Deferred Tax.

(H) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an out flow of resources will be required to settle such obligation, in respect of which a reliable estimate can be made. Contingent Liabilities are not recognized but are disclosed at their estimated value in the notes to the Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES ON ACCOUNTS:

- (a) In the opinion of the Directors, Current Assets, Loans and Advances have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business.
- (b) Balances of Sundry Debtors & Creditors, Loans and Advances and some of the Bank balances are subject to confirmation / reconciliation.

The company has been continuously incurring cash losses for the last two years. The Net Worth of the company has been substantially eroded and the Current Liabilities as at the year end has exceeded the Current Assets by Rs 137,327. However, the management is of the opinion that in view of the present and expected future cash flow, the company will be able to continue as a going concern.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
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- 3 In the opinion of the management, taking in to consideration the estimated market values of the Assets especially Lab and Building, no further adjustment for impairment in the carrying cost of Assets is considered necessary in the Accounts as at the year end.
- 4 The Company is in the process of collecting information regarding the creditors who need to be classified as micro, small or medium enterprises within the meaning of Micro, Small or Medium Enterprises Development Act 2006. Since the aforesaid information is not available as on the Balance Sheet Date, the Company is not able to comment whether the Liabilities appearing in the Balance Sheet as on 31-03-2009, includes any enterprises as stated above.
- 5 a. The Overdraft from Indian Bank is secured by the first charge on Company's property at #147, Luz Church Road Chennai-4, company's Current Assets covering book debts, stocks and consumable stores.
- b. Loan from a Director (formerly share holder) represents loan from Mr.A.N.Radhakrishnan, for an amount of Rs.2,45,00,000 secured by registered equitable mortgage of title deed of Building being Door No:149, Luz Church Road, Mylapore, Chennai – 600 004.
- 6 (a) The Company has availed a Secured loan of Rs. 2,45,00,000 (PY.Rs.2,45,00,000) from a Director bearing Interest @ 12%. The Company has also availed unsecured loan from the same Director bearing Interest @ 9%, the outstanding amount of unsecured loan as at the year end is Rs.6,52,24,339 (PY Rs. 4,33,68,640). The due dates for payment of Interest and for repayment of the above loan have not been stipulated.
- (b) The maximum amount outstanding in case of the Secured loan at any time during the year is Rs2,45,00,000 (PY Rs. 2,45,00,000) and in case of unsecured loan is Rs. 6,52,24,339, (PY Rs. 4,33,68,640)
- (c) The total amount of Interest paid / payable for the year to the said Director on the above loans is Rs. 7,261,321.
- 7 Employee Benefits –

Disclosure required under AS15 – “Employee Benefits” (Revised 2005)

1. Defined Contribution Plan

During the year, the company has recognized in the Profit and Loss Account, an amount of Rs.18,18,267 on account of contribution towards Provident Fund.

2 Defined Benefit Plans

Gratuity

(i) Actuarial Assumption	31.03.09	31.03.08
Discount Rate (per annum)	7.5%	8%
Salary escalation rate *	3.5%	3.5%
Expected average remaining lives of working employees (year)	5%	5%



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* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

ii Reconciliation of present value of obligations	Rs.	Rs.
Present Value of Obligation at beginning at the beginning of the year	26,56,975	22,51,223
Current Services Cost	10,65,710	3,03,986
Interest Cost	1,64,003	1,80,098
Actuarial (gain)/loss	2,17,268	17,79,126
Benefits Paid	(9,40,525)	(13,57,458)
Present value of obligation at the end of the year	31,63,431	26,56,975

iii Net (Asset) / Liability recognized in the Balance Sheet as at year end	Rs.	Rs.
Present value of obligations at the end of the year	31,63,431	26,56,975
Net Present value of unfunded obligation recognized as (asset) / liability in the Balance Sheet	31,63,431	26,56,975

iv Expenses recognized in the Profit and Loss Account	Rs.	Rs.
Current Service Cost	10,65,710	3,03,986
Interest Cost	1,64,003	1,80,098
Actuarial (gain) / loss recognized in the period	2,17,268	12,79,126
Past Service Cost	-	-
Total expenses recognized in the Profit and Loss Account for the year	14,46,981	17,63,210

(ii) The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

3. Long Term Employee benefits

Compensated absences (Leave encashment) – Unfunded Obligation

i Actuarial Assumption	31.03.09	31.03.08
Discount Rate (per annum)	7.5%	8%
Salary escalation rate *	3.5%	3.5%
Expected average remaining lives of working employees (year)	5%	5%

* The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
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ii	Reconciliation of present value of obligations	Rs.	Rs.
	Present Value of Obligation at beginning at the beginning of the year	8,34,642	7,90,547
	Current Services Cost	3,97,057	2,07,899
	Interest Cost	47,968	59,291
	Actuarial (gain)/loss	1,33,456	4,23,034
	Benefits Paid / transferred	(3,90,127)	(9,46,159)
	Present value of obligation at the end of the year	10,22,996	8,34,642

iii	Net (Asset) / Liability recognized in the Balance Sheet as at year end	Rs.	Rs.
	Present value of obligations at the end of the year	10,22,996	8,34,642
	Net Present value of unfunded obligation recognized as (asset) / liability in the		
	Balance Sheet	10,22,996	8,34,642

iv	Expenses recognized in the Profit and Loss Account	Rs.	Rs.
	Current Service Cost	3,97,057	2,07,899
	Interest Cost	47,968	59,291
	Actuarial (gain) / loss recognized in the period	1,33,456	4,23,034
	Past Service Cost	-	-
	Total expenses recognized in the Profit and Loss Account for the year	5,78,481	6,90,224

The above disclosures are based on information certified by the independent actuary and relied upon by the auditors.

8. Remuneration to Director

Particulars	31-03-2009	31-03-2008
Salary	Nil	40,000 *
Contribution to Provident Fund	Nil	Nil
Total	Nil	40,000

* To a previous Executive Director who resigned w.e.f. 28th April, 2007

9. Payment to Auditors –Fees for*

Particulars	Year Ended 31.3.2009	Year Ended 31.3.2008
Statutory Audit	80,000	60,000
Tax Audit	20,000	15,000
Certification Fees	50,000	40,000
Total	1,50,000	1,15,000

*excluding Service Tax



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- 10.a) The Company has filed a writ before the Honorable High court of Madras to recover a sum of Rs.1,85,80,412 (PY Rs.1,85,80,412) due from former Directors of the company in prior years along with the penal interest at the rate of 21% till the date of disposal of the aforesaid writ. The Management is confident of recovering the said dues from the aforesaid persons and accordingly no provision is made in the books of accounts for the above amount.
- b) Against the above, a counter claim has been filed against the company by one of the above former Director for an amount of Rs.3,94,00,000 (PY Rs.1,85,80,412) together with interest @ 15% towards rent arrears, loans settled by her etc. on behalf of the company, which is also pending before the Honourable Jurisdiction of Chennai.

11. Related Party Disclosures

- (a) The particulars that is required to be disclosed in terms of Accounting Standard 18 issued by the Institute of Chartered Accountants of India are furnished below:

[In Rupees]

Particulars.	Subsidiaries	Associates	Key Management Personnel	Relative of key management personnel	Enterprises*
Purchases of goods					
Sale of goods					
Receiving of services			Nil (40,000)		
Rendering of services **			1,180,000 (Nil)	1,000 (3,000)	
Leasing/Hire purchaser Arrangements					480,000 (480,000)
Finance (Including Interest on Loan)			7,261,321 (5,344,840)	1,506,471 (658,031)	10,864,660 (Nil)
Balance as on 31.03.2009			101,697,743 #	1,458,031	11,344,660

Figures in brackets represents previous years.

** Advance Received from a Director for medical services.

* To a former Director who resigned w.e.f 29th April,2007.

# Includes	- Secured loan from a Director	:	2,45,00,000
	Unsecured loan	:	6,52,24,339
	Interest Payable on above	:	1,10,69,974
	Advance received for services	:	11,80,000



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

Subsidiaries	:	Nil
Associates	:	Nil
Key Management Personnel	:	A.N. Radhakrishnan (Chairman, Executive Director) G.R. Navin Rakesh (Managing Director)
Relatives of Key management Personnel	:	Premalatha Kanikannan (D/o.A.N. Radhakrishnan) Gomathy (Wife of A.N. Radhakrishnan) Gokulakrishnan (Son of A.N. Radhakrishnan)
*Enterprises over which key management personnel or their relatives are able to exercise significant influence	:	Meenakshi Ammal Trust Meenakshi College of Engineering Sri Muthukumaran Institute of Technology Arulmigu Meenakshi Amman Higher Secondary School Meenakshi Medical College and Research Institute Meenakshi Ammal Arts and Science College Meenakshi Ammal Dental College Meenakshi College of Physiotherapy Arulmigu Meenakshi Amman College of Education (One of the Director is the Managing Trustee in the above trusts)

12. Assets under lease:

a) Operating lease:

Due	Total Minimum Lease payments outstanding	
	2008-09	2007-08
Within One year	4,80,000	4,80,000
Later than One year not later than five years	1,920,000	19,20,000
Later than five years	38,40,000	43,20,000
Total	62,40,000	67,20,000

b) Finance Lease: Nil

13. Hospital collection is shown net of discounts and payments to Consultant (visiting) Doctors. The company's operation comprises of only one segment – Hospital Activities. There is no other Business or geographical segments required under Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India.
14. Net Deferred tax liability of Rs 2,98,539/- as on 31-03-2009 represents Income Tax relatable to the excess of book value of Fixed Assets over their written down value as allowed / allowable for tax purpose as on that date after adjusting unabsorbed depreciation as on that date and also deferred tax asset relatable to Provision for Gratuity and Earned Leave encashment.

Deferred Tax

The break up of net Deferred Tax Liability is as under:



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

Particulars.	As on 31.3.2009 (Rs.)		As on 31.3.2008 (Rs.)	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Timing differences on account of:				
Unabsorbed losses and allowances	9,294,605		4,510,724	
Book and Income tax depreciation		11,793,143		11,570,959
Total	9,294,605	11,793,143	4,510,724	11,570,959
Net Deferred Tax Liability		2,498,539		7,060,236

15. Estimate amount of contracts remaining to be executed on capital account - Rs. 5,78,000/- (PY Rs.5,78,000)

16. Additional Information pursuant to Part II of Schedule VI to the Companies Act to the extent applicable:

Sl No.	Particulars	2008-09 (Rs.)	2007-08 (Rs.)
1.	Value of imports calculated on CIF basis /Expenditure in Foreign currency	-	2,830,743
2.	Consumption of stores & spares, Pharmacy items & consumables (100% indigenous)	5,028,407	6,907,092
3.	Earnings in foreign currency	-	-
4.	Number of non-resident shareholders	22	20
5.	Amount of Dividend remitted to them	-	-

17. Figures in brackets unless otherwise stated, represent figures of the previous year. Previous year's figures have been regrouped/ recast wherever necessary to confirm to the current year's lay out.

For and on behalf of the Board

As per our report of even date attached

A.N. Radhakrishnan
Chairman

G.R.Navin Rakesh
Managing Director

For VARMA & VARMA
Chartered Accountants

T. Jeyapragasam
Company Secretary

K.M. Sukumaran
Partner - M.N.15707
Place : Chennai
Date : 31.08.2009

Place : Chennai
Date : 29.08.2009



CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)

CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(FORMERLY KNOWN AS DEVAKI HOSPITAL LIMITED)
148, LUZ CHURCH ROAD, MYLAPORE, CHENNAI-600 004

CASH FLOW STATEMENT FOR THE YEAR 2008-09	2008-09 Rs	2007-08 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit for the year before extraordinary items	(31,455,332)	(32,304,298)
<u>Add:</u> Adjustments for Non-Cash items:		
Depreciation	5,106,733	4,880,517
Provision for Taxation (Including Deferred Tax and FBT)	(4,486,697)	1,430,044
Provision for Gratuity	506,456	405,752
Provision for Earned Leave	243,969	44,095
Excess provision for Tax written back	118,236	
<u>Add.</u> Interest to Profit & Loss Account	9,434,594	6,296,097
	(20,768,513)	(19,247,793)
Adjustment for changes in:		
Inventories	418,596	801,490
Sundry Debtors	(68,083)	1,680,468
Loans and Advances	(936,564)	(2,772,873)
Current Liabilities(Including Creditors)	16,971,140	(92,746)
Other Current Asset	(517,263)	1,292,870
	(4,900,687)	(18,338,584)
Income Tax and FBT Paid	3,276,767	1,150,000
Earned Leave Paid	55,615	
Gratuity Paid		
Total (A)	(8,233,069)	(19,488,584)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	440,248	
Purchase of Fixed Assets including Capital WIP	(5,153,844)	(20,446,183)
Total (B)	(4,713,596)	(20,446,183)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash Credit from Indian Bank	(9,779,614)	10,058,677
Term Loans		(512,235)
Other Loans	32,655,699	36,565,304
Interest paid	(9,434,594)	(6,296,097)
Total (C)	13,441,491	39,815,649
Total Cash Flow for the year (A + B + C)	494,826	(119,118)
<u>Add:</u> Opening Cash and Bank Balances	1,489,879	1,608,997
Closing Cash and Bank Balances	1,984,705	1,489,880

For and on behalf of the Board

As per our report of even date attached

A.N. Radhakrishnan
Chairman

G.R.Navin Rakesh
Managing Director

For VARMA & VARMA
Chartered Accountants

T. Jeyapragasam
Company Secretary

K.M. Sukumaran
Partner - M.N.15707
Place : Chennai
Date : 31.08.2009

Place : Chennai
Date : 29.08.2009



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	19545	State Code	18
Balance Sheet Date	31.03.2009		

II Capital Raised during the Year (Amount in Rs. thousands)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III Position of Mobilisation and deployment of Funds (Amount in Rs. Lakhs)

Total Liabilities	1899.25	Total Assets	1899.25
Sources of Funds			
Paid up Capital	746.89	Reserves and Surplus	59.84
Secured Loans	294.94	Unsecured Loans	772.59
Deferred Tax Liability	24.99		
Application of Funds			
Net Fixed Assets	1120.19	Investments	-
Net Current Assets	(1.37)	Misc. Expenditure	-
Accumulated Losses	776.21	Capital work in progress	4.22

IV Performance of Company (Amount in Rs. thousands)

Turnover	259.25	Total Expenditure(net)	615.75
Profit/(Loss) before tax	(356.50)	Profit/(Loss) after Tax	(314.55)
Earnings per share in Rs.	(4.21)	Dividend %	Nil

V Generic names of three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	0606
Product Description	Speciality Hospital

For and on behalf of the Board

A.N. Radhakrishnan
Chairman

G.R. Navin Rakesh
Managing Director

T. Jeyapragasam
Company Secretary

Place : Chennai
Date : 29.08.2009

ATTENDANCE SLIP
CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(Formerly known as Devaki Hospital Limited)
Regd.Office: 148, Luz Church Road, Mylapore, Chennai-600 004

Name of the Shareholder/ Proxy _____
(In Block Capital Letters)

I/We hereby record my/our presence at the Nineteenth Annual General Meeting of the Company held on Tuesday, the 29th day of September 2009 at 11.00 a.m at Sri Venkata Auditorium, Bharatiya Vidya Bhavan, New No. 18,20,22, East Mada Sreet, Mylapore, Chennai-600 004.

Registered Folio No./Client ID No.

No. of Shares held.

Signature of the Shareholder / Proxy

Please Note: This attendance slip duly filled in and signed may please be handed over at the entrance of the Meeting Hall.

PROXY FORM

CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED
(Formerly known as Devaki Hospital Limited)
Regd.Office: 148, Luz Church Road, Mylapore, Chennai-600 004

I/We _____ of _____ being a Member/Members of Chennai Meenakshi Multispeciality Hospital Limited hereby appoint Shri/Smt. _____ or failing him/her, Shri/Smt. _____ of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting to be held on Tuesday, the 29th day of September 2009 at 11.00 a.m at Sri Venkata Auditorium, Bharatiya Vidya Bhavan, New No.18,20,22, East Mada Street, Mylapore, Chennai-600 004 and at any adjournment thereof.

Dated this _____ day of _____ 2009 .

Registered Folio No./Client ID No.

No. of Shares held

Affix one
Rupee
Revenue
Stamp

Signature of the shareholder

This instrument of Proxy to be valid, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

No gifts will be given to the Shareholders at the Meeting.

Book - Post

To

If Undelivered, Please Return to:

CHENNAI MEENAKSHI MULTISPECIALITY HOSPITAL LIMITED

(Formerly known as Devaki Hospital Limited)

148, Luz Church Road, Mylapore, Chennai - 600 004.