

13<sup>th</sup>

ANNUAL REPORT

2009-2010

## MMC HEALTHCARE LIMITED



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Regd.Office: No.23, Gandhi Nagar, Alwarthiru Nagar, Chennai – 600 087

Phone & Tele fax: +91- 044-24862612/24868372

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## **BOARD OF DIRECTORS**

**Mr. R.S.Jayaraman** -Chairman and Managing Director

**Mr. M.Ravichandran** -Director

**Mr. M.Rajarathinam** -Director

**Mrs.J.Girijadevi**

**Mrs.R.Vidhyavathi**

**Mrs.R.R.Shanthi**

### **REGISTERED AND CORPORATE OFFICE**

No.23, Gandhi Nagar,

Alwarthirunagar

Chennai – 600 087.

### **AUDITORS**

M/s. CRCKVN & ASSOCIATES

Chartered Accountants

Chennai -600 018

### **BANKERS**

State Bank of India,

Nungambakkam, Chennai

### **Works:**

**Factory –** 1- No.34-B, SIDCO Industrial Estate, Thirumazhisai

**Chennai – 602 107**

**Registered Office:** No.23, Gandhi Nagar, Alwarthirunagar, Chennai – 600 087

## **Notice to the Shareholders**

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held at the "LAMICALE " Thiruvalluvar Salai, Rampuram, Chennai – 600 089 on Monday the 27<sup>th</sup> September 2010 at 05.00 p.m. to transact the following business:

### **Ordinary business:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2010 and the Profit and Loss account for the year ended 31<sup>st</sup> March 2010 together with the schedules and notes attached thereto and the reports of the Auditors and Directors.
2. Proposed for declaration of dividend @ 15 Percentage.
3. To appoint a Director in place of Mr.R.S. Jayaraman who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mrs.Vidyavathi, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint the auditors and fix their remuneration.

By order of the board

**For MMC HEALTHCARE LIMITED**  
**R.S.Jayaraman**  
**Chairman and Managing Director**

Place: Chennai.  
Date: 27.08.2010

### **Note:**

**A member who is entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a member of the company.**

The Register of Members and Share Transfer books of the company will remain closed on 24<sup>th</sup> and 27<sup>th</sup> September 2010. (Both days inclusive)

The Proxy form duly executed and stamped should be deposited at the Registered Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.

Members are requested to bring their copies of report and accounts to the meeting

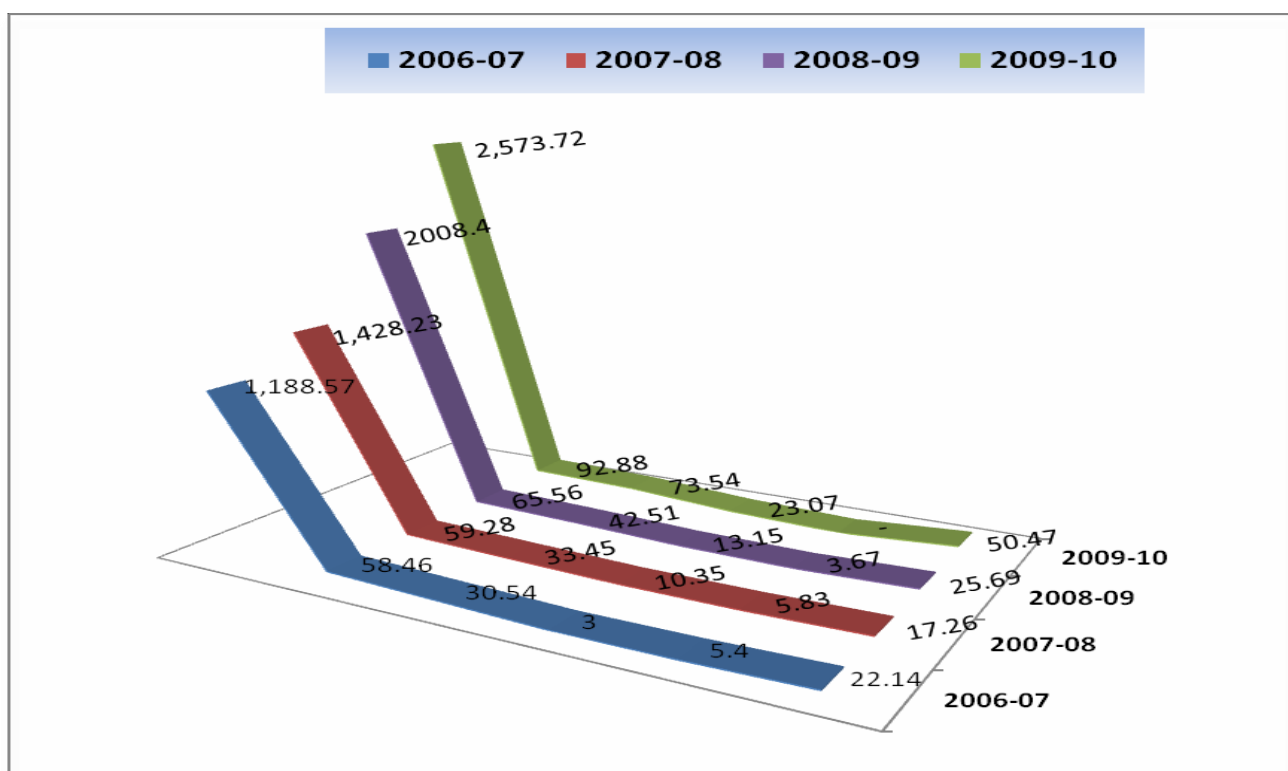
## CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE:

It is indeed a pleasure to welcome you, to the Thirteenth Annual General Meeting of the Company. The year 2009-10 was yet another momentous year of the Company. The Company has achieved an excellent performance making a milestone in its history.

With great sense of pride and satisfaction, I am pleased to present our Eleventh Annual Report, Auditors Report and Audited Accounts of our company for the year 2009-10.

## FINANCIAL HIGHLIGHTS

MMC HEALTHCARE LIMITED -CHENNAI	(Rs.in Lakhs)	(Rs.in Lakhs)	(Rs.in Lakhs)	(Rs. n Lakhs)
Financial Years	2006-07	2007-08	2008-09	2009-10
Turn Over (Sales)	1,188.57	1,428.23	2008.40	2573.72
Finance charges & Dep.	58.46	59.28	65.56	92.88
PBT (Profit before Tax)	30.54	33.45	42.51	73.54
Provision for Taxation/ IT	3.00	10.35	13.15	23.07
Provision for FBT	5.40	5.83	3.67	-
PAT (Profit after Tax)	22.14	17.26	25.69	50.47



(Rupees in Lakhs)

**PROFIT - (PRE & POST TAX) REPORT**

The Companies Turnover, PBT (Profit before Tax) and PAT (Profit after Tax) has increased substantially, compared to previous years

Ratio:

Turn over for the year 2009-10 has increased 28.16% to Rs.2573.72 Lakh from the previous year 2008-09.

Over all profit to the year 2009-10 has increased 96.45% of Rs.28.33Lakh from the year 2008-09.

**MMC HEALTHCARE LIMITED’S PRODUCT MARKETING NETWORK:**

The Company has wide network in Domestic Marketing in almost all States of India. The Company products have been accepted well by the Doctors, Chemists, Retailers and end users. Presently, the Company transact through only Consignee Agents, the Company plans to open its own depots in future. The major coverage states are:



<b>SOUTH</b>	<b>WEST</b>	<b>EAST</b>
Tamil Nadu	Pune	Chattishgarh
Kerala	Nagpur	Jharkhand
Karnataka	Goa	Orissa
Andhra Pradesh		
Pondicherry		

**AUDITOR:**

M/s. CRCKVN & ASSOCIATES, Chartered Accountants, Chennai were appointed as Statutory Auditor of the Company for the year 2009-10.

**EXPORT:**

Now that, the plant is built as per WHO-GMP standard, the Company plans to enter into international market with full confidence.

During the year the income earned by export Rs.48,24,782/- out of which direct export received by foreign currency of Rs.48,24,782/- and balance of Rs.119,315/- by Indian rupees through Deemed Exports.

**INDUSTRIAL RELATIONS**

Industrial relations during the year continued to be peaceful and there were no man days lost due to any kind of unrest.

**SAFETY:**

Your Company continued to lay emphasis on the safety and security of the work force in all areas. With a view to enlighten the workers on the importance of safety, to avoid accidents and to develop safe working practices your Company has taken the following significant measures: Constituting Safety committee. Observing National Safety Day, Release of Safety News-Letters. There were no accidents during the year under report.

**WELFARE:**

Several welfare measures were undertaken during the year under report. An amount of Rs.7.00 lakhs was incurred Group Insurance Scheme, Community Development programmes and other welfare schemes.

**PARTICULAR OF EMPLOYEES**

None of the Employees of the Company was in receipt of remuneration over and above the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of the employees) Rule, 1975.

Particulars in pursuance of Section 217(1) (c) of the Companies Act 1956.

- |  |                   |
|--|-------------------|
| a. Conservation of Energy              | – As per Annexure |
| b. Foreign Exchange Earning and out go | - As per Annexure |

**MANPOWER: List of manpower on roll as on 31<sup>st</sup> March 2010 are given below:-**

**Employees - both Executives and Non-Executives**

No of employees	- Direct employment	- 265
	Contract Workers	- 110
	▪ Managers	- 50
	▪ Executives	- 185
	▪ Assistants	- 30

**MMC'S VISION:**

To make MMC a "GREAT PLACE TO WORK"

To become one amongst TOP 5 Pharma companies in the mind of our customers

To become No: 1 amongst Chennai based Pharma Companies

**MMC'S MISSION:**

To create 100 % prescriber base from Corporate and Supreme core Doctors

To make Mission Products Hemocare group Rs.50,000 PCPM, Medineuron group Rs.20,000 PCPM and AC Group Rs.20,000 PCPM.

To make Concept Product Pileum 300 Strips PCPM and COMBit 200 Strips PCPM

**MMC'S VALUES:**

To follow the FOUR WAY TEST of all the things MMCian's think, say or do

Is it the truth?

Is it fair to all concerned?

Will it build GODWILL and BETTER FREIENDSHIP?

Will it be BENEFICIAL to all concerned? (Win – Win Situation)

**Managing Growth by Managing PCPM**

**People Customer Product Market**

**DIRECTOR'S RESPONSIBILITY – Under section 217 (2AA) of the Companies (Amendment) Act 2000.**

Your Directors confirm that:

- (a) That in preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure,
- (b) That the Director had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on 31<sup>st</sup> March 2010 and Profit of the Company for the year,
- (c) That the Director had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31<sup>st</sup> March 2010 in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for prevention and detections of fraud and other irregularities.
- (d) That the Director had prepared the Annual Accounts on a going concern basis.

I conclude by thanking you wholeheartedly for the faith you have reposed in us to deliver the highest level of industrial care without compromises, and supporting our vision of creating an industry that shines like a beacon setting the gold standard for healthcare in India.

The Board of Directors would like to place on record their appreciation of the contribution made by I the Professionals and all employees. The unflagging dedication and commitment has fuelled the rapid growth of **MMC**.

Finally, I would also like to acknowledge the support and co-operation extended by the Bankers, Auditors, creditors and other business associates and shareholders.

**R.S.JAYARAMAN**

**CHAIRMAN AND MANAGING DIRECTOR**

**CRCKVN & ASSOCIATES**  
CHARTERED ACCOUNTANTS



**C.R. CHANDRA BOB** B.Com., F.C.A.  
**K.V. NARAYANAN** B.Com., A.C.A.

**AUDITORS' REPORT**

**To the Members of M/s. MMC HEALTHCARE LTD**

We have audited the attached Balance Sheet of **MMC HEALTHCARE LTD** as at 31<sup>st</sup> March 2010 and the profit and loss Account for the year ended on that date, annexed thereto. 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.

We conducted our audit in accordance with auditing standards require that we plan and perform the audit to obtain reasonable reasonable assurance, whether the financial statements are free of 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.

We further 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 those book;
- (c) The Balance sheet, the profit and loss Account dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Profit and Loss Account 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, as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956;



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E-MAIL : cacrckvn@gmail.com

**CRCKVN & ASSOCIATES**  
CHARTERED ACCOUNTANTS



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- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31<sup>st</sup> March, 2010 ; and
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For CRCKVN ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 011147S

*K.V. Narayanan*  
K.V.NARAYANAN  
PARTNER  
M.NO.216259



PLACE: CHENNAI  
DATE: 27/08/2010

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**Annexure to Auditor's Report:**

**CRCKVN & ASSOCIATES**  
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**Annexure to Auditor's Report**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have been physically verified by the management during the year according to a Phased Programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification  
(c) In our opinion a substantial part of Fixed Assets has not been disposed off by the Company during the Year. -
- (ii) (a) The inventory, excluding materials in transit, has been physically verified by the management during the year. Further a major portion of inventory lying with third parties has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable  
(b) In our opinion, the Procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of the and the natural of its business  
(c) On the basis of our examination of the inventory records, in our opinion the company is maintaining proper records of inventory .and the discrepancies noticed on physical verification of inventory as compared to the books records were not material and have been properly dealt with in the books of accounts.
- (iii) The company has not taken loan from other companies covered in the register maintained U/s.301 of the companies Act, 1956.
- (iv) In our Opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.



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## CRCKVN & ASSOCIATES CHARTERED ACCOUNTANTS



**C.R. CHANDRA BOB** B.Com., F.C.A.  
**K.V. NARAYANAN** B.Com., A.C.A.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained U/s.301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion according to the information and explanations given to us, that the transactions made in pursuance of contracts or arrangements entered in the register maintained U/S.301 of the companies Act 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company, pursuant to the rules made by the central government of India for maintenance of the cost records under clause(d) of sub-section(1) of section 209 of the act and are of the opinion that prima facie the prescribed accounts and records have generally been maintained and are under preparation .we have not how ever, made a detailed examination of the same with a view to determining whether they are accurate or complete.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees, state insurance, income tax, sales tax, wealth tax, custom duty, excise duty and cess and other material statutory dues applicable to it.
- (b)According to the information and explanations given to us, no undisputed amounts payable in respect of income tax sales tax, wealth tax, custom duty, excise duty and cess were in arrears, as at 31.03.2009



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for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax sales tax, wealth tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.

- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) The company has not given any loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not chit fund or a Nidhi/ mutual benefit fund / Society. therefore, the provisions of clause 4(xiii) of the companies (Auditor' s Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clauses 4(xiv) of the companies (Auditor's Report) order, 2004 are not applicable to the company.
- (xv) The company has not given guarantees for loans by other from banks or financial institution.
- (xvi) The company has obtained term loans from State Bank of India during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets expect permanent working capital.



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- (xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Act and necessary provisions of the Companies Act 1956 has been complied with.
- (xix) According to the information and explanations given to us, during the period covered by our audit report the company has not issued any debentures.
- (xx) The company has not raised money by public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For CRCKVN ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN 011147S

*K.V. Narayan*  
K.V. NARAYANAN  
PARTNER  
M.NO.216259



PLACE: CHENNAI  
DATE : 27/08/2010

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