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Fifth Annual Report
1996-97

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Innovation Medi Equip Limited

INNOVATION MEDI EQUIP LIMITED

Board of Directors

Dr. L. Prakash
Chairman & Managing Director

Dr. Srilakshmi Prakash
Director

Mr. C.K. Kothari
Director

**Factory and
Registered Office**

290, Sidco Industrial Estate,
Ambattur,
Chennai - 600 098.

Auditors

M/s R.G.Rajan Associates,
Chartered Accountants,
Chennai - 600 017.

Bankers

Union Bank of India
Bank of Madura
City Union Bank
Indian Bank

INNOVATION MEDI EQUIP LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Fifth Annual General Meeting of Innovation Medi Equip. Ltd will be held on Friday 21st November 1997 at 10.00 A.M. at 290, SIDCO Industrial Estate, Ambattur, Chennai 600 098 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To elect a Director in the Place of Mr.C.K.Kothari who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration. M/s.R.G.Rajan Associates, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

Notes :

1. A Member entitled to attend and vote at the meeting, is entitled to appoint a Proxy to attend and vote instead of him. The Proxy need not be a member of the company. Proxy to be valid shall be deposited with the company not later than forty eight hours before the time for holding the meeting.
2. The Register of Members and Share Transfer Books will remain closed from 07.11.97 to 21.11.97 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Share Department at the Registered Office.

BY Order of the Board,
for **INNOVATION MEDI EQUIP LIMITED**,

Chennai
13th September, 1997

Sd/-
Dr. L. PRAKASH.
CHAIRMAN & MANAGING DIRECTOR.

INNOVATION MEDI EQUIP LIMITED**Directors' Report**

Your Directors have pleasure in presenting the Fifth Annual Report on the business and operations of the company, together with the audited Financial Accounts of the Company for the year ended 31st March 1997.

Financial Results

The Financial Results of the company for the year ended 31st March 1997 are summarized below:

	1996 - 97
	(Rs.in Lakhs)
Sales & Other Income	- 65.03
Profit (Loss) before Taxation & Depreciation	- (130.17)

Appropriations

Preliminary Expenses written off	- 0.21
Public Issue Expenses	- 8.81
Provision for Taxation	- 0.00
Profit carried to Balance Sheet	- (173.96)

OPERATIONS

The Domestic Sales was Rs.11.13 lakhs for the financial year 1996-97. The Export Sale was Rs.35.08 lakhs and Training Fee was Rs.20.80 lakhs.

DIRECTORS

Mr.C.K.Kothari retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS

M/s.R.G.Rajan Associates, Chartered Accountants, Chennai the Auditors of the Company retire at the conclusion of the Fifth Annual General Meeting and are eligible for reappointment. Your Directors recommend their reappointment.

DEPOSITS

The amount of deposits as on 31st March 1997 was Nil.

PARTICULARS OF EMPLOYEES

There are no employee falling within the purview of section 217 (2A) of the Companies Act 1956.

INNOVATION MEDI EQUIP LIMITED

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO.

The Company has installed machines which are power conservative in nature.

During the year the Export earnings of the Company was Rs.34,50,177 and Outgo was Rs.55,714.

REMARKS IN AUDITORS REPORT

The Market value of some of the investments made by the company are very low as is the case with many others. The economy has also now started buoyant. Hence the Board is confident of realising the investment at a rate higher than cost price during the current year. Hence no provision for decline in value of the investments was made in the Accounts.

ACKNOWLEDGMENT

Your Directors take this opportunity to express their thanks to the various Departments of the State Government of Tamil Nadu, Banks, Financial Institutions, Customers and Suppliers for their valuable assistance and support.

Your Directors wish to place on record their appreciation of the sincere efforts put in by the employees of your Company at all level.

BY Order of the Board,
for **INNOVATION MEDI EQUIP LIMITED,**

Sd/-

13th September, 1997
Chennai

Dr. L. PRAKASH.
CHAIRMAN & MANAGING DIRECTOR.

INNOVATION MEDI EQUIP LIMITED

To

Members of Innovation Medi Equip Limited
Chennai 600 098.

We have examined the enclosed Profit & Loss Account for the period ended 31st March 1997 and Balance Sheet as on that date and we report as follows :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion proper books of accounts as required by law have been kept by the company in so far as it appears from the examination of such books.
3. The Balance Sheet dealt with by the report is in agreement with the books of accounts.

There is a steep fall in the market value of the quoted permanent investments which in our opinion is not temporary, for which no provision has been made in the accounts. The non provision is not in accordance with the accounting standards for investments issued by The Institute of Chartered Accountants of India. Considering the market value of the investments as on 31.3.97 the provision required is Rs.3300000/-. To this extent the loss is understated and investments are overstated.

4. Subject to the above, in our opinion and to the best of our information and according to the explanations given to us the said accounts read in conjunction with schedules 1 to 12 and Notes on Accounts thereon give the information required by the companies act 1956 in the manner so required and the Balance Sheet gives the true and fair view of the state of the company's affairs as at 31.3.97 and the profit and loss account the true and fair view of the loss for the financial year ended on that date.

5. As required by Manufacturing and Other Companies (Auditors Report) Order 1988, we report that.

- i. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. These assets have been physically verified by the management at reasonable intervals. The discrepancies noticed during such verification were not material.
- ii. The fixed assets have not been revalued during the year.
- iii. The physical verification has been conducted by the management at reasonable intervals in respect of stores, spare parts and raw materials.
- iv. The procedure followed for such verification is reasonable and adequate having regard to the size of the company and the nature of its business.
- v. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
- vi. The basis of valuation of stock is fair and proper and in accordance with the accepted accounting principles. The basis of valuation is the same as the previous year.

INNOVATION MEDI EQUIP LIMITED**AUDITORS' REPORT**

- vii. The company has taken loans from Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act 1956. The terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
- viii. The company has given loans to Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act 1956. The terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
- ix. The parties to whom the loans or advances in nature of loans have been given are generally repaying the principal amounts as stipulated and there is no provision for interest in respect of staff advance.
- x. The internal control system of the company needs to be streamlined with regard to the nature and size of its business.
- xi. There are no transactions of purchase of goods and materials and sale of goods, materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956.
- xii. Unserviceable or damaged stores, raw materials and finished goods have been properly determined and provisions for loss if any have been made in the accounts.
- xiii. The company has not accepted any deposits from the public. In respect of deposits accepted in the earlier years they have been repaid during the current year.
- xiv. The production process does not generate any by-products and the company has maintained reasonable records for the sale and disposal of realisable scraps.
- xv. There is no internal audit system followed by the company.
- xvi. The Central Government has not prescribed maintenance of cost records.
- xvii. There are no delays in remittances of provident fund dues. However in respect of ESI an amount of Rs.24367 is due for more than 6 months.
- xviii. There is no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, customs duty, and excise duty were outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
- xix. As per our examination of the books of accounts of the company and according to the information and explanations given to us by the management no personal expenses have been charged to revenue account.
- xx. The company is not a sick industrial company within the meaning of clause (o) of the sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act 1985.

For **R G RAJAN ASSOCIATES**
CHARTERED ACCOUNTANTS

Chennai
13th September 1997

Sd/-
R G RAJAN
PARTNER