



Seventh Annual Report

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1998-99

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 Administrative 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
Indian Bank

INNOVATION MEDI EQUIP LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Seventh Annual General Meeting of the Company will be held on Thursday 30th September 1998 at 09.30 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 Director's Report, the Accounts of the Company for the year ended 31st March 1999 and Auditors Report thereon.
2. To elect a Director in the place of Mr.C.K.Kothari who retires by rotation and being eligible offers himself for re-election.
3. To appoint Statutory Auditors and fix the remuneration of M/s.R.G.Rajan Associates, Chennai retire at the conclusion of this Annual General Meeting and are eligible for re- appointment.
4. The Register of Members and Share Transfer Books will remain closed from 21.09.99 to 29.09.99 (both days inclusive).

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

Chennai
31.7.99

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

INNOVATION MEDI EQUIP LIMITED

Directors' Report

Your Directors have pleasure in presenting the 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 1999.

Financial Results

The Financial Results of the company for the year ended 31st March 1999 are summarized below:

	1998 - 99 (Rs.in Lakhs)
Profit (Loss) before Interest & Depreciation	(24.73)
Depreciation	16.09
Interest	3.84
Profit/(Loss) after Depreciation	(44.66)
Profit Brought Forward	(222.28)
Profit/(Loss) available for appropriation	(266.28)
Preliminary Expenses written off	0
Public Issue Expenses	0
Profit carried to Balance Sheet	(266.94)

OPERATIONS

The Domestic Sales was Rs.6.10 lakhs, the Exports Sales was Rs.16.80 lakhs and Training fees was Rs.9.84 lakhs for the financial year 1998-99.

DIVIDEND

Your directors do not recommend any dividends for the current year.

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 Fourth Annual General Meeting and are eligible for reappointment. Your Director's recommended their reappointment.

INNOVATION MEDI EQUIP LIMITED

DEPOSITS

The amount of deposits as on 31st March 1999 was Nil.

PARTICULARS OF EMPLOYEES

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

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. 1680970 and Outgo was Rs. 3000

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 renewal their appreciation of the sincere efforts put in by the employees of your Company at all.

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

Sd/-

Chennai
31.7.99

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 1999 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 and the profit and loss account dealt with by the report is in agreement with the books of accounts.
4. In our opinion, the profit and loss account and the balance sheet comply with the accounting standards referred to in sub section (3C) of section 211 of the companies act 1956.

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 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 31.3.99 the provision required is Rs. 2040000/-. To this extent the loss is understated and investments are overstated.

The effect of non reflection of the changes in the accounts arising out of the income tax settlement commission's order referred to in note no. 12

5. 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 11 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 31.3.99 and the profit and loss account the true and fair view of the loss for the financial year ended on that date.
6. As required by Manufacturing and Other Companies (Auditors Report) Order 1988, we report that.
 - i The records maintained by the company for the fixed assets need to be updated. Reference is drawn to note no 12 of the accounts. We are given to understand that no physical verification of the fixed assets have been conducted by the management during the year.

INNOVATION MEDI EQUIP LIMITED**AUDITORS' REPORT**

- 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 in the previous year.
- 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, and/or from companies under the same management as defined under subsection (1B) of section 370 of the companies act, the terms and conditions of which 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 and/or from companies under the same management as defined under subsection (1B) of section 370 of the companies act, 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.
- xiv. The production process does not generate any by products and the company has maintained reasonable records for the sale and disposable of realisable scraps.
- xv. There is no internal audit system followed by the company.