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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

14th

ANNUAL REPORT
1996-97



Medinova
Diagnostic Services Limited





Board of Directors

A Raghava Reddy - *Chairman*

A R Viswanath

S Basu Thakur

C Satyanarayana

P K Reddy

Bana L Paranjape

P J V Sarma

(Nominee ICICI)

Vice President

Satish Gautam

Auditors

M/s.J B Reddy & Co.

Chartered Accountants

Company Secretary

K Ramakrishna

Legal Advisor

K Krishnamoorthy

Bankers

Andhra Bank

Canara Bank

State Bank of India

State Bank of Mysore

Financial Institution

The Industrial Credit &
Investment Corporation
of India Limited

Registered Office

6-3-652, 'Kautilva'

S. majiguda Hyderabad - 500 082.



Medinova

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fourth Annual General Meeting of the Members of Medinova Diagnostic Services Limited will be held on Tuesday, the 30th September, 1997 at 4.30 PM at Hotel Green Park, Greenlands, Ameerpet, Hyderabad, to transact the following business.

ORDINARY BUSINESS

01. To receive, consider and adopt the audited Profit & Loss Account for the period ended 31st March, 1997 and the Balance sheet as at that date together with the Reports of the Directors and Auditors thereon.
02. To declare a Dividend.
03. To appoint a Director in the place of Sri S Basu Thakur who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint a Director in the place of Shri C Satyanarayana who retires by rotation and being eligible, offers himself for re-appointment.
05. To appoint Auditors and fix their remuneration.

By order of the Board

Hyderabad
14th August, 1997

K. Ramakrishna
Company Secretary

NOTES :

01. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote on a poll in his stead and the Proxy need not be a Member. The Proxy Forms should be lodged with the Company not less than 48 hours before the time for holding the meeting.
02. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, the 27th September, 1997 to Tuesday, the 30th September, 1997 (both days inclusive).
03. The dividend when declared will be payable to those shareholders whose names appear in the Register of Members of the Company as on 30th September, 1997.
04. The Members are requested to send in change of address, if any, immediately to the Company.



DIRECTORS' REPORT

To
The Members of
Medinova Diagnostic Services Ltd.

Your Directors have pleasure in presenting the Fourth Annual Report of your Company together with the audited accounts for the period ended 31st March, 1997 and Report of the Auditors thereon.

FINANCIAL & OPERATIONAL RESULTS

A statement of the financial and operational results of your Company for the year under review, is furnished hereunder :

(Rupees in Lakhs)		
Particulars	1996-97	1995-96
Total Income	1380.75	1290.44
Total Expenditure	910.29	849.21
Interest	268.92	229.11
Profit Before Depreciation & Taxation	201.54	212.12
Depreciation	82.99	79.38
Provision for Income Tax	15.08	—
Net Profit	101.81	132.74
Add: Balance in Profit and Loss Account brought forward from previous year	<u>43.81</u>	<u>39.85</u>
	145.62	172.59
Recommended Dividend	75.85	113.78
Transfer to General Reserve	10.00	15.00
Balance in Profit & Loss Account	59.77	43.81

A total income of Rs.1667.71 lacs and expenditure of Rs.915.88 lacs were projected for the year 1996-97 in the prospectus. In order to improve the revenue significantly, your company had planned installation of an MRI Unit at Bangalore in the second half of the financial year. The same got delayed and the MRI has been installed and is operational from mid July, '97. Despite the delay in installation of MRI, and break-down of important equipment and increased competition, the Company could achieve an income growth of Rs.90 lacs over the previous year. Steps are being taken to strengthen the marketing of the services and also to keep the expenses under control.

PROPOSED DIVIDEND AND OTHER APPROPRIATIONS

Your Directors have pleasure in recommending a Dividend of 8% for the financial year ended 31st March, 1997 and this would absorb Rs.75.85 lacs. A sum of Rs.10.00 lacs is proposed to be transferred to General Reserve. The balance of profit after these appropriations will be retained in the Profit & Loss Account.

OPERATIONS

Business Income :

During the period under review, your Company has achieved a total business income of Rs.1380.75 lacs showing a growth of Rs.90 lacs over the previous year and a Net Profit Before Tax of Rs.116.89 lacs.

Installation of MRI System :

Your Directors take pleasure in announcing the installation of an MRI Unit at the Bangalore centre which is operational from mid-July'97. Your company expects a substantial revenue growth during the financial year 1997-98 in view of the installation of MRI and also the general growth in the business being witnessed.


Medinova
ISO - 9002 :

Your Directors have pleasure in informing that Medinova-Hyderabad has achieved the ISO-9002 Certification. With this, your Company has become the first company to obtain ISO-9002 certification in the field of medical diagnostics.

Expansion:

Your Company has opened a medium sized Centre at Pimpri (Pune) as a part of its expansion plan. Your Company is considering various proposals for tie-ups at Maharashtra, West Bengal and other places and also for taking over medium sized Centres under the expansion plan.

Franchise Centres :

As on date, there are 21 Franchise Centres operating in Andhra Pradesh, Karnataka, Maharashtra and West Bengal. During the year, nine Franchise Centres at Warangal, Ongole, Ananthapur, Nallakunta and Sangareddy in Andhra Pradesh, Baramati in Maharashtra, Hospet and Yeshwanthapur in Karnataka and Siliguri in West Bengal were opened.

DIRECTORS

Sri S Basu Thakur and Sri C Satyanarayana, Directors of your Company retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS

M/s.J B Reddy & Company, Auditors of your Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

With reference to the Auditors' observation in their Report regarding Gratuity liability, attention of the Members is invited to Note No.5 under the 'Notes on Accounts', which is self-explanatory.

As regards the Auditors' observation in respect of Deposits under "Gold Card Scheme", it is stated that the said Deposits are in the nature of Customer Deposits.

PARTICULARS OF EMPLOYEES

None of the Employees is in receipt of remuneration exceeding the limits as prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

PARTICULARS RELATING TO CONSERVATION OF ENERGY, ETC.

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be furnished under section 217 (1)(e) of the Companies Act, 1956 read with relevant rules thereunder, are furnished in a separate statement forming part of this report.

FUTURE OUTLOOK
ISO - 9002 :

Plans are afoot to get the ISO-9002 Certification for other Centres also.

Installation Of MRI System and Latest Technology Equipment :

Another MRI Unit is proposed to be installed and negotiations are on with the suppliers. The Centres are proposed to be equipped with equipment of latest technology and also it is planned to replace the present equipment where necessary.

Franchise Centres :

Five Franchise Centres at Secunderabad in Andhra Pradesh, Nagpur in Maharashtra, Bellary in Karnataka, Chennai in Tamilnadu and at Berhampur in Orissa are proposed to be opened during 1997-98 and with the Franchise concept becoming successful, many Centres are likely to be opened in the near future.

**Training Institutes :**

As part of Training and Education Programme, your Company has been running training institutes at Hyderabad, Bangalore and Pune. Your Company proposes to establish its own Training Institute/s at Calcutta and also at various other places under Franchise Arrangement.

Overseas Assignments :

As you are already aware, your Company has successfully completed two Consultancy Assignments for Projects at Zambia and Nigeria assisted by the African Development Bank. Your Company has been empanelled with the African Development Bank for appraising various projects under their assistance and expects bagging of further Consultancy Assignments.

ACKNOWLEDGEMENTS

Your Directors wish to convey their sincere thanks to the Banks, Financial Institutions and various Government Agencies for their support and co-operation. Your Directors also place on record their appreciation to all the employees for their contribution to the growth of the Organisation.

Your Directors take this opportunity to express their deep sense of gratitude to the investing public for their support.

for and on behalf of the Board

Hyderabad
14th August, 1997

A. Raghava Reddy
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of Energy	:	Not applicable
B. Technology Absorption	:	Not applicable
C. Foreign Exchange earned (Received during the year)	:	Rs. 3.79 Lacs
D. Foreign Exchange used		
- Import of Spares & Consumables	:	Rs. 0.48 Lacs
- Foreign Travel	:	Rs. 0.36 Lacs

for and on behalf of the Board

Hyderabad
14th August, 1997

A. Raghava Reddy
Chairman