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5th

ANNUAL REPORT

1997 - 98

Report  Junction.com



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

Vice President

Satish Gautam

Auditors

M/s. J B Reddy & Co.

Chartered Accountants

Company Secretary

K Ramakrishna

Legal Advisor

K Krishnamoorthy

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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, 'Kautilya'
Somajiguda, Hyderabad - 500 082.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifth Annual General Meeting of the Members of Medinova Diagnostic Services Limited will be held on Thursday, the 24th September, 1998 at 11.00 A.M. at Hotel Green Park, Green Lands, Begumpet, 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, 1998 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
02. To appoint a Director in the place of Shri. P K Reddy who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in the place of Shri A R Vishwanath who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

05. To consider and if thought fit, to pass the following resolution, with or without modifications, as an Ordinary Resolution.

“RESOLVED THAT subject to the provisions of Sections 198, 269, 387, 388, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Satish Gautam, designated as “VICE PRESIDENT” be and is hereby appointed as the MANAGER of the Company, for a period of TWO years with effect from 25th November, 1997, upon the terms and conditions set out below and as approved by the Board of Directors of the Company.

I. SALARY

Rs.11,000/- (Rupees Eleven Thousand Only) per month.

II. PERQUISITES

01. Rent Free Residential Accommodation or House Rent Allowance, not exceeding Rs.5,060/- p.m. Expenditure on Gas, Electricity, Water and Furnishings will be borne by the Company and the same will be valued as per the Income Tax Rules, 1962, however, subject to a ceiling of 10% of the salary.
02. Reimbursement of Medical expenditure for self and his family subject to a ceiling of one month's salary per year or two month's salary over a period of two years.
03. Leave Travel Concession for self and his family once in a year in accordance with the Rules of the Company.
04. Personal Accident Insurance and / or such other Medical/Healthcare Insurance(s) at a premium not exceeding Rs.2,000/- per annum.
05. Company's contribution to the PF, and Superannuation Fund, if any, will be allowed as per the Rules of the Company and to the extent not taxable under the Income Tax Act/ Rules.
06. Gratuity as per the Rules of the Company not exceeding half a month salary for each completed year of service.
07. Reimbursement of Fuel, Maintenance and other expenses for the use of his own Car for official purposes.
08. Reimbursement of entertainment expenses actually and properly incurred for the purpose of the business of the Company.
09. Telephone facility at residence.
10. Encashment of Leave at the end of the tenure as per the Leave Rules of the Company.

By Order of the Board

Place : Hyderabad
Date : 31st July, 1998

K Ramakrishna
Company Secretary

**EXPLANATORY STATEMENT**

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

ITEM NO : 5

Mr. Satish Gautam was appointed as Manager of the Company for a period of THREE years upto 25th November, 1997. In compliance with Section 269(1) of the Companies Act, 1956, he was re-appointed as 'Manager' of the Company for a further period of TWO years with effect from 25th November, '1997, upon the terms and conditions set out in the resolution. As per the provisions of the Companies Act, 1956, his appointment as 'MANAGER' and payment of remuneration require approval of the Shareholders. Hence the resolution.

None of the Directors is concerned or interested in the said resolution.

By Order of the Board

Place : Hyderabad

Date : 31st July, 1998

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 Membes and the Share Transfer Books of the Company will be closed from Friday, the 18th September, 1998 to Thrusday, the 24th September, 1998(both days inclusive).
03. 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 take pleasure in presenting the Fifth Annual Report of your Company together with the audited accounts for the period ended 31st March, 1998 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	1997-98	1996-97
Total Income	1498.95	1380.75
Total Expenditure	1017.03	910.29
Interest	293.25	268.92
Profit Before Depreciation & Taxation	188.67	201.54
Depreciation	85.59	82.99
Provision for Income Tax	10.82	15.08
Net Profit	92.26	101.81
Add: Balance in Profit & Loss A/c. brought forward from previous year	59.77	43.81
	152.03	145.62
Recommended Dividend	—	75.85
Tax on Dividend(96-97) (Prior period adjustment)	7.58	
Transfer to General Reserve	10.00	10.00
Balance in Profit & Loss Account	134.45	59.77

APPROPRIATIONS FROM THE PROFITS :

A sum of Rs.10.00 lacs is proposed to be transferred to General Reserve. Your Directors do not recommend any Dividend for the financial year ended 31st March, 1998 as it was deemed fit to retain the earnings.

OPERATIONS

Business Income :

During the period under review, the Company has achieved a total business income of Rs.1498.95 lacs showing a growth of Rs.118.20 lacs over the previous year and a Net Profit Before Tax of Rs.103.08 lacs.

New Equipment :

During the year, a Magnetic Resonance Imaging (MRI) unit was installed at Bangalore and the same is operational since August, 1997.

ISO 9002 :

As the members are already aware, the Hyderabad Centre has achieved ISO 9002 certification. Your Directors take pleasure in informing that even the Bangalore Centre has been recommended for ISO 9002 certification.

Franchise Centres :

As on date there are 25 Franchise Centres spread all over the Country. During the year under review, two Franchise Centres were opened.

DIRECTORS

The Industrial & Credit Investment Corporation of India Ltd. has withdrawn its Nominee Director Sri. P J V Sarma from the Board of Directors in the month of February, 1998.

Sri P K Reddy and Sri A R Viswanath, 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. With regard to the income tax dues, necessary steps are being taken to pay off the dues.

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 and technology absorption as required to be furnished under Section 217(1)(e) of the Companies Act, 1956 read with relevant rules thereunder, are not applicable to your Company. The Company has not earned any foreign exchange during the year. Also, during the year, there was no foreign exchange used.

FUTURE OUTLOOK

Your Directors take pleasure in announcing the installation of an MRI unit at Hyderabad Centre which is expected to be operational from mid-August, 1998. With the addition of MRs, your Company expects substantial revenue growth during the financial year 1998-99 and in future.

During the year 1998-99, it is proposed to upgrade certain existing equipment and also procure equipment for new facilities.

Plans are on to spread the concept of Franchise Centres further in the States of West Bengal, Maharashtra & Karnataka and the Company expects to increase the number of Franchise Centres.

Plans are afoot to get the ISO 9002 Certification for Pune and Calcutta Centres also.

ACKNOWLEDGEMENTS

Your Directors express their gratitude to all the Banks/ Financial institutions, various Government agencies and the investors of the Company for their support and cooperation. Your Directors place on record their appreciation of all the employees of your Company for their contribution.

for and on behalf of the Board

Place : Hyderabad
Date : 31st July, 1998

A Raghava Reddy
Chairman