

6th

ANNUAL REPORT

1998 - 99

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Medinova

Diagnostic Services Limited



Board of Directors

A Raghava Reddy - Chairman
Bana L Paranjape
C Satyanarayana
P K Reddy
S Basu Thakur
D A Srinivas

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, "Kautilya"
Somajiguda, Hyderabad - 500 082.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Members of Medinova Diagnostic Services Limited will be held on Wednesday the 29th September, 1999 at 3.30 P.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 and Loss Account for the period ended 31st March, 1999 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. Bana L Paranjape, who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in the place of Shri. S Basu Thakur, 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 Shri. D A Srinivas who was appointed as an additional Director of the Company by the Board of Directors and who holds office upto the date of Annual General Meeting, under Section 260 of the Companies Act 1956, be and is hereby appointed as a Director of the Company".

By Order of the Board

Place : Hyderabad
Date : 31st July, 1999

K Ramakrishna
Company Secretary

EXPLANATORY STATEMENT

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

ITEM NO : 5

Shri. D A Srinivas was appointed as an additional Director of the Company at the Board Meeting held on 31st July, 1999. According to the provisions of the Section 260 of the Companies Act, 1956, he holds office as Director upto the date of the ensuing Annual General Meeting. As required under Section 257 of the Act, a notice has been received from a member along with requisite deposit, signifying his intention to propose the appointment of Shri. D A Srinivas as a Director. Shri. D A Srinivas holds Business Administration degree from the University of La Varne, California, USA and has considerable experience as director on the Boards of many Companies. The Board considers it desirable that the Company should continue to avail itself of his services and therefore commends passing of the Resolution.

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

By Order of the Board

Place : Hyderabad
Date : 31st July, 1999

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 Member and the Share Transfer Books of the Company will be closed from Friday the 24th September, 1999 to Wednesday the 29th September, 1999 (both days inclusive).

DIRECTORS' REPORT

TO

The Members of
Medinova Diagnostic Services Ltd.

Your Directors have pleasure in presenting the Sixth Annual Report of your Company together with the audited accounts for the period ended 31st March 1999 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	1998-99	1997-98
Total Income	1642.43	1498.95
Total Expenditure	1140.34	1017.03
Interest	305.43	293.25
Profit Before Depreciation And Taxation	196.66	188.67
Depreciation	89.07	85.59
Provision for Income Tax	11.63	10.82
Net Profit	95.97	92.26
Add : Balance in Profit & Loss A/c. brought forward from Previous year	134.44	59.77
	230.41	152.03
Recommended Dividend .	—	—
Provision for Gratuity	27.97	—
Prior period adjustment	—	7.58
Transfer to General Reserve	10.00	10.00
Balance in Profit & Loss Account	192.44	134.45

APPROPRIATIONS FROM PROFITS :

A sum of Rs. 10 lacs is proposed to be transferred to General Reserve. Your Directors do not recommend any Dividend for the financial year ended 31st July, 1999 as it was deemed fit to retain the earnings.

OPERATIONS :

During the period under review, a total business income of Rs.1643.43 lakhs and a net profit of Rs.95.97 lacs were achieved. The growth in revenue was Rs.143.48 lacs over the previous year. The growth in revenue was possible partly because of the installation of Magnetic Resonance Imaging Unit (MRI) at Hyderabad Centre in November 1998. Apart from the installation of MRI unit, the latest model of Auto Analyser Hitachi 902 has also been installed at Hyderabad. A Color Doppler SONOS 2500 supplied by M/s. Hewlett Packard has been installed at Calcutta Centre.

As the members are already aware, both the Hyderabad and Bangalore Centres have achieved ISO 9002 certification.

Y2K COMPLIANCE :

Your Company has initiated necessary steps to obtain Y2K compliance certificates for all of its equipment from the respective manufacturers. It is planned to make Computer and other systems Y2K compliant by October, '99. The expenditure to ensure Y2K compliance is not expected to have any material financial impact, as most of the equipment is already Y2K compliant. The Company has a contingency plan to address any uncertainties.

DIRECTORS :

Shri Bana L Paranjape and Shri S Basu Thakur Directors of your Company retire by rotation and being eligible offer themselves for reappointment.

Shri. D A Srinivas was appointed as an Additional Director at the Board Meeting held on 31st July, 1999.



Shri. A R Viswanath has resigned from the Directorship with effect from 31st July, 1999. The Board of Directors, places on record its deep appreciation of the services rendered by him to the Company.

AUDITORS :

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

A substantial portion of the income tax dues as observed by the Auditors, has already been cleared and necessary steps are being taken to pay off the balance 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 :

The MRI units at Hyderabad and Bangalore are expected to contribute to the revenue growth substantially over the year 1999-2000. Keeping this in view, the viability of installing the MRI Units at other Centres is being studied.

During the year 1999-2000 it is also proposed to upgrade certain existing equipment with additional features for improved customer service and additional revenues.

The process of obtaining ISO 9002 certification for Pune and Calcutta is in an advanced stage and the certificates are expected to be received during the year 1999-2000.

ACKNOWLEDGEMENTS :

Your Directors wish to convey their sincere thanks to the Banks, Financial Institutions and various Government Agencies for their support and cooperation. 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
31st July, 1999

A Raghava Reddy
Chairman

AUDITORS' REPORT

to

The Members of
Medinova Diagnostic Services Limited

We have audited the attached Balance Sheet of Medinova Diagnostic Services Limited as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by Law have been kept by the

Company so far it appears from our examination of books.

- c) The Balance Sheet and the Profit & Loss Account referred in our report are in agreement with the books of accounts.
- d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the mandatory accounting standards referred to in Sub Section 3(c) of Section 211 of the Companies Act, 1956.
- e) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in case of Balance Sheet, the State of affairs of the Company as at 31st March, 1999 and in case of Profit & Loss Account the Profit of the Company for the year ended on that date.

for **J B REDDY & CO**
Chartered Accountants

Place : Hyderabad
Date : 31st July 1999

A V REDDY
Partner