

9th **ANNUAL REPORT**
2001 - 2002



Board of Directors

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

Company Secretary

K Ramakrishna

Auditors

M/s. J B Reddy & Co.
Chartered Accountants

Legal Advisor

K Krishnamoorthy

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Registered Office
6-3-652, "Kautilya"
Somajiguda, Hyderabad - 500 082.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of the Members of Medinova Diagnostic Services Limited will be held on 25th September, 2002 at 11:30 A.M. at HOTEL GREEN PARK, GREENLANDS, BEGUMPET, HYDERABAD-500016 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the period ended 31st March, 2002 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri S Basu Thakur, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By Order of the Board

Place : Hyderabad
Date : 31st July, 2002

K Ramakrishna
Company Secretary

NOTES:

1. 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.
2. The Register of Member and the Share Transfer Books of the Company will be closed from 24th September, 2002 to 25th September, 2002 (both days inclusive).
3. The Members are requested to send in change of Address, if any, immediately to the Company.
4. As per the SEBI's Notification, the shares of Medinova have to be traded only in Demat mode, with effect from October 30, 2000. Those members who intend to get their shares dematerialised are advised to open Demat accounts with Depository participants and surrender for dematerialisation.
5. The shares of Medinova are traded in Hyderabad and Bombay Stock Exchanges. The Listing Fee for the year 2001-02 has been paid to the Stock Exchanges. The addresses of the Stock Exchanges are as below: (1) The Hyderabad Stock Exchange Ltd., 3-6-275, Himayatnagar, Hyderabad-500 029. (2) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
6. Pursuant Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividends upto the Financial Year ended 31.03.1995 have been transferred to the General Revenue Account of the Central Government. Shareholder who have not encashed the dividend warrants for the said period are requested to claim the amount from the Registrar of Companies, Hyderabad.

Further, pursuant to Section 205A of the Companies Act, 1956, the amount of dividend for the Financial Year ended 31st March, 1996 and thereafter, remaining unpaid or unclaimed for a period of seven years shall hereafter be transferred to the Investor Education and Protection Fund of the Central Government ("the Fund").





DIRECTORS' REPORT

TO

The Members of
Medinova Diagnostic Services Ltd.

Your Directors have pleasure in presenting the Ninth Annual Report of your Company together with the audited accounts for the year ended 31st March 2002 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	2001-2002	2000-2001
Total Income	1836.75	1859.21
Total Expenditure	1388.01	1338.85
Interest	290.84	350.69
Profit Before Depreciation And Taxation	160.05	166.35
Depreciation	91.70	91.10
Provision for Tax		
- Current Tax	6.05	6.48
- Deferred Tax	10.13	---
Net Profit	50.02	68.76
Add: Balance in Profit & Loss A/c Brought forward From Previous year	342.56	283.80
	392.58	352.56
Recommended Dividend		
Transfer to General Reserve	10.00	10.00
Balance in Profit & Loss Account	382.58	342.56

APPROPRIATIONS FROM PROFITS :

A sum of Rs.10 lacs is transferred to General Reserve. Your Directors do not recommend any Dividend for the financial year ended 31st March 2002, as it was deemed fit to retain the earnings.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors hereby confirm that

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- they have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the accounts for the financial year ended 31st March 2002 on a 'going concern' basis.

OPERATIONS:

During the year 2001-02 a total Business Income of Rs.1836.75 lacs and a Net Profit of Rs.50.02 lacs were achieved. During the year, a New Color Doppler Machine at Hyderabad and certain other equipments at other Centres were installed. The CT Machine at Hyderabad was down for major repairs and efforts are on to procure a new machine.

Also, efforts are being made to keep the downtime of machines to the minimum and to replace and upgrade the equipment where necessary.

SUBSIDIARY:

M/s Medimark Health Services Pvt. Ltd. ceased to be the subsidiary during the year.

DIRECTORS:

Shri Bana L Paranjape has resigned from the Directorship. The Directors place on record their sincere appreciation of the services rendered by Sri Bana L Paranjape during his tenure as Director of your Company.



Shri S Basu Thakur, Director retires by rotation and being eligible offers himself reappointment.

AUDIT COMMITTEE:

The Audit Committee consists of Shri A Raghava Reddy, Shri P K Reddy and Shri C. Satyanarayana. Shri P K Reddy is the Chairman of the Committee. The Committee met thrice till date and reviewed the compliance of Internal Control Systems and the Financial Statements for the year ended 31.3.2002.

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 part 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. As regards the recovery of the outstandings from M/s. Standard Medical & Pharmaceuticals Ltd., members attention is invited to note No. 11 in the Notes on Accounts, which is self explanatory.

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 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 Sec.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.

ACKNOWLEDGEMENTS:

Your Directors express their gratitude to all the Banks, various Government Agencies and the Investors of the Company, for their support and cooperation. Your Directors also place on record appreciation for all the employees of your Company for their contribution.

for and on behalf of the Board

Hyderabad
31st July, 2002

A Raghava Reddy
Chairman

