

# *SystemDay*

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Company Formations & Company Documents  
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# **Business Information Report**

Vinod Medical Systems Private Limited

India

## **VINOD MEDICAL SYSTEMS PRIVATE LIMITED**

Regd./Business Address B1-2 Sai Nagar, Near Railway Crossing, Raipur - 492 001, Chhattisgarh, India  
Phone +91 771 4214416 / 4214455 / 9827141406  
Fax +91 771 2522404  
Email vmspl@vinodmedical.com / vmapl@touchtelindia.net / vmspl@sancharnet.in  
Website www.vinodmedical.com  
Location Commercial  
Status Owned


### **Executive Summary**

Report ID 54499  
Company Name Vinod Medical Systems Private Limited  
Company Status Active  
Legal Form Private Limited Company  
Regd./Formation Date 27-May-1994  
Incorporation No. U85110CT1994PTC008363  
No. of Employees Around 400  
Business Activity Trading & Distribution of Medical X Ray films, Photographic Materials and its accessories & chemicals  
Industry Medical Devices & Equipment  
SIC Code(s) 51476 - Wholesale of photographic goods

### **Financial Summary**

Capital	INR	12 159 600
Networth	INR	92 495 800
Turnover/Sales	INR	1 155 747 620
Profit After Tax	INR	12 516 390
FY Ended	31-Mar-2013	

### **Credit Recommendation**

Credit Rating B  
Credit Score   
Credit Limit USD 300000 / INR 18360000  
Comments Recommendation is largely based on the subject's overall operational & financial state-of-affairs.

### **Credit Rating Guide**

Credit Rating	Credit Score	Explanation
A+	81 - 100	Low Risk
A	61 - 80	Moderate Risk
B	40 - 60	Medium Risk
C	21 - 39	Medium High Risk
D	1 - 20	High Risk
NR	--	No Rating

# **Business Information Report**

## **Shareholder's Information (As on Sept. 30, 2013)**

Authorised Capital	INR 15 000 000
Paid up Capital	INR 12 159 600

## **Major Shareholders(s)**

<b>Name</b>	<b>No. of Shares</b>
Suresh Rathi	10350.00
Vinod Jaisinghani	6850.00
Mrs. Jyoti Rathi	6500.00
Mrs. Namrata Jaisinghani	9700.00
Ravindra Sharma	1010.00
Ram Kumar Sahu HUF	1010.00
Narayan Rathi	9560.00
Manoj Rathi HUF	7370.00
Kailash Rathi	10180.00
Madhu Joshi	3100.00
Jethmal Rathi Group	18460.00
Jain Shoppers Pvt Ltd	3000.00
Others	32430.00
TOTAL	119520.00
Shares allotted as on March 31, 2014	
Suresh Rathi	519.00
Vinod Jaisinghani	519.00
Narayan Rathi	519.00
Kailash Rathi	519.00
TOTAL	2076.00

## **Directors / Principals**

1	<b>Name</b>	Suresh Kumar Rathi
	<b>Designation</b>	Director
	<b>Date / Year of Birth</b>	14.06.1960
	<b>Date of Appointment</b>	27.05.1994
	<b>Residential Address</b>	S-10-11, Jeevan Vihar Colony,, Opp. Vip Chowk, G.e. Road, Raipur - 492 001, Chhattisgarh, India
	<b>DIN</b>	00682330

## **Business Information Report**

- 2    **Name**                      Vinod Kumar Jaisinghani  
    **Designation**                Director  
    **Date / Year of Birth**       18.07.1964  
    **Date of Appointment**       27.05.1994  
    **Residential Address**       B/95, Surya Apartment,, Katora Talab,, Raipur - 492001, Chhattisgarh, India  
    **DIN**                            00682914
- 3    **Name**                      Jyoti Rathi  
    **Designation**                Director  
    **Date / Year of Birth**       31.12.1964  
    **Date of Appointment**       27.05.1994  
    **Residential Address**       S-10-11, Jeevan Vihar Colony,, Opp. Vip Chowk, G.e. Road, Raipur - 492001, Chhattisgarh, India  
    **DIN**                            00682789
- 4    **Name**                      Kailash Kumar Rathi  
    **Designation**                Director  
    **Date / Year of Birth**       29.02.1972  
    **Date of Appointment**       10.04.1998  
    **Residential Address**       C-150, Shailendra Nagar, Raipur - 492001, Chhattisgarh, India  
    **DIN**                            00682430
- 5    **Name**                      Narayan Rathi  
    **Designation**                Director  
    **Date / Year of Birth**       30.04.1967  
    **Date of Appointment**       10.04.2003  
    **Residential Address**       S-3-4, Jeevan Vihar Colony, Opp. Vip Chowk, G.E. Road, Raipur - 492 001, Chhattisgarh, India  
    **DIN**                            00682721

# **Business Information Report**

## **Business Operations**

The subject is engaged in trading & distribution of Medical X Ray films, Photographic Materials and its accessories & chemicals.

**Permanent Account Number** AAACV8457B

**Imports From** Belgium & China, Japan, USA

**Exports To** None Reported

**Payment Terms** Letter of Credit 90 Days (Purchase)  
Telegraphic Transfer (Purchase)  
Credit Period of 30 Days (Purchase)  
Credit Period of 30 - 90 Days (Sale)  
Advance Payment (Sale)

**Trade References** Royal Enterprises (Buyer)  
Shree Vibgyor Color Labs (Buyer)  
Kodak India Limited - Mumbai (Supplier)  
R P Photographics - Mumbai (Supplier)

**Listing on Stock Exchange** No

**Litigation** None Reported

## **Banker**

**Name** Bank of Maharashtra  
**Address** Bayron Bazar, Raipur - 492 001, Chattisgarh, India

## **Hypothecation Details**

**Bank Name** Bank of Maharashtra  
**Date of Agreement** 10.09.2014  
**Amount** INR 420 000 000

**Bank Name** The Hongkong and Shanghai Banking Corporation Limited  
**Date of Agreement** 11.03.2014  
**Amount** INR 120 000 000

# **Business Information Report**

## **Auditor**

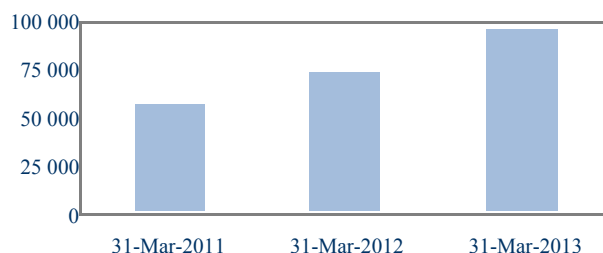
Name M/s. R. Kabra And Co.  
Address 515, Tulsiani Chambers, Nariman Point, Mumbai - 400 021, Maharashtra, India

## FINANCIAL SUMMARY

### **NET WORTH**

**INR in '000'**

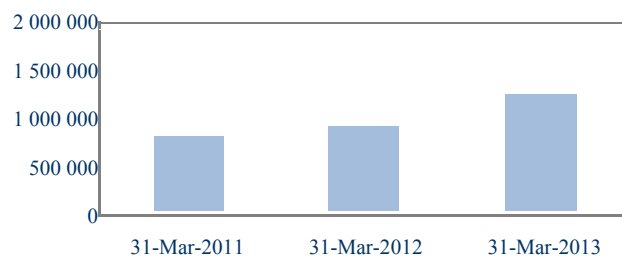
<b>Year Ended</b>	<b>Amount</b>	<b>Change</b>
31-Mar-2013	92 495	36.06%
31-Mar-2012	67 979	25.88%
31-Mar-2011	54 002	---



### **OPERATING REVENUE**

**INR in '000'**

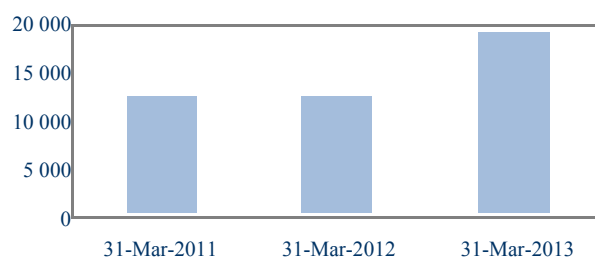
<b>Year Ended</b>	<b>Amount</b>	<b>Change</b>
31-Mar-2013	1 155 747	46.37%
31-Mar-2012	789 633	3.58%
31-Mar-2011	762 343	---



### **PROFIT BEFORE TAX**

**INR in '000'**

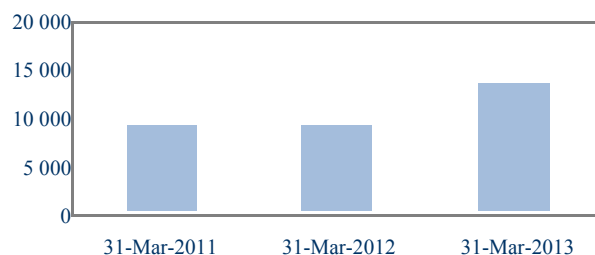
<b>Year Ended</b>	<b>Amount</b>	<b>Change</b>
31-Mar-2013	18 830	60.56%
31-Mar-2012	11 727	-1.55%
31-Mar-2011	11 912	---



### **PROFIT AFTER TAX**

**INR in '000'**

<b>Year Ended</b>	<b>Amount</b>	<b>Change</b>
31-Mar-2013	12 516	56.90%
31-Mar-2012	7 977	-5.05%
31-Mar-2011	8 401	---



# **Business Information Report**

## BALANCE SHEET

For the Year Ending :	31-Mar-2013	31-Mar-2012	31-Mar-2011
	(INR in '000')		
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>	<b>92 495.80</b>	<b>67 979.42</b>	<b>54 002.12</b>
- Share Capital	11 952.00	10 752.00	10 152.00
- Reserves and Surplus	80 543.80	57 227.42	43 850.12
<b>Non-current liabilities</b>	<b>58 076.63</b>	<b>64 555.13</b>	<b>63 704.00</b>
- Long-term borrowings	52 005.00	59 591.65	60 004.22
- Deferred tax liabilities	4 471.72	3 973.57	3 197.64
- Other Long term liabilities	55.00	105.00	105.00
- Long-term provisions	1 544.91	884.91	397.14
<b>Current liabilities</b>	<b>233 181.19</b>	<b>159 329.47</b>	<b>180 589.31</b>
- Short-term borrowings	199 388.42	124 871.27	149 476.37
- Trade payables	23 350.22	16 795.69	22 703.90
- Other current liabilities	3 873.23	14 387.55	5 729.93
- Short-term provisions	6 569.32	3 274.96	2 679.11
<b>TOTAL</b>	<b>383 753.62</b>	<b>291 864.02</b>	<b>298 295.43</b>
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>64 286.58</b>	<b>66 066.14</b>	<b>56 579.81</b>
- Fixed Assets	59 163.29	59 793.89	50 895.16
- Tangible assets	59 163.29	59 793.89	50 895.16
- Non-current investments	20.20	20.20	20.20
- Long-term loans and advances	5 103.09	6 252.05	5 664.45
<b>Current assets</b>	<b>319 467.04</b>	<b>225 797.88</b>	<b>241 715.62</b>
- Inventories	167 057.70	115 860.14	131 452.17
- Trade receivables	126 404.37	76 711.55	78 964.37
- Cash and cash equivalents	14 902.08	10 320.80	7 504.24

## **Business Information Report**

- Short-term loans and advances	10 456.80	21 421.16	23 057.41
- Other current assets	646.09	1 484.23	737.43
<b>TOTAL</b>	<b>383 753.62</b>	<b>291 864.02</b>	<b>298 295.43</b>

### PROFIT & LOSS A/C

For the Year Ending :	31-Mar-2013	31-Mar-2012	31-Mar-2011
	(INR in '000')		
<b>Revenue</b>			
- Revenue from operations	1 155 747.62	789 633.86	762 343.58
- Other income	0.00	344.72	945.70
<b>TOTAL REVENUE</b>	<b>1 155 747.62</b>	<b>789 978.58</b>	<b>763 289.28</b>
<b>Expenses</b>			
- Cost of materials consumed	0.00	140 053.30	163 565.08
- Purchase of Stock-in-Trade	0.00	551 200.50	551 284.47
- Changes in inventories of finished goods work-in-progress and Stock-in-Trade	0.00	-6 308.20	-35 518.26
- Employee benefits expense	0.00	19 762.88	13 479.92
- Finance Cost	27 435.37	23 833.03	19 882.33
- Depreciation and amortization expense	4 197.93	3 716.43	3 303.45
- Other expenses	0.00	45 993.09	35 379.60
- Total Consolidated Expenses	1 105 284.19	0.00	0.00
<b>TOTAL EXPENSES</b>	<b>1 136 917.49</b>	<b>778 251.03</b>	<b>751 376.59</b>
<b>Profit (Loss) before tax</b>	<b>18 830.13</b>	<b>11 727.55</b>	<b>11 912.69</b>
<b>Tax Expenses</b>			
- Current tax	0.00	2 974.23	2 600.00
- Deferred tax	498.16	775.92	923.72
- Taxes	5 815.58	0.00	-12.43
<b>Profit (Loss) for the period</b>	<b>12 516.39</b>	<b>7 977.40</b>	<b>8 401.40</b>
<b>Earnings per equity share</b>			
- Basic(INR)	---	78.48	87.86



# **Business Information Report**

## **LONG-TERM BORROWINGS**

	<b>31-Mar-2013</b>	<b>31-Mar-2012</b>
		<b>(INR in '000')</b>
Rupee term loans from others	0.00	1 771.65
Loans and advances from related parties	52 005.00	57 820.00
<b>TOTAL</b>	<b>52 005.00</b>	<b>59 591.65</b>

## **SHORT-TERM BORROWINGS**

	<b>31-Mar-2013</b>	<b>31-Mar-2012</b>
		<b>(INR in '000')</b>
Rupee term loans from others	0.00	6 728.35
Loans repayable on demand from banks	195 470.81	118 142.92
Other loans and advances	3 917.62	0.00
<b>TOTAL</b>	<b>199 388.43</b>	<b>124 871.27</b>

## **ASSETS DETAILS**

	<b>31-Mar-2013</b>
	<b>(INR in '000)</b>
Land	7 802.57
Buildings	20 914.50
Plant & Equipment's	15 046.48
Furniture & Fixtures	1 717.33
Vehicles	6 558.07
Office Equipment's	6 852.13
Other Tangible Assets	272.21
<b>TOTAL</b>	<b>59 163.29</b>

## **COMMENTS**

Latest financial information (as procured from Mr. Nayak, Manager Accounts of the subject)

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Turnover (Unit INR in '000)  
INR 1 600 000.- (Projected) for the FY 2014-15  
INR 1 525 600.- (Approx.) for the FY 2013-14

# **Business Information Report**

Note (s)

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\* The information provided in this report is largely based on the information procured from the subject's records file at Official Registry Records (ROC).

\* Operational information was confirmed by Mr. Nayak, Manager Accounts of the subject during the course of a telephonic interview.

## **KEY RATIOS**

<b>SOLVENCY RATIOS</b>	<b>31-Mar-2013</b>	<b>31-Mar-2012</b>	<b>31-Mar-2011</b>
Current Ratio	1.37	1.42	1.34
Quick Ratio	0.65	0.69	0.61

**Current Ratio** - A measure of short term solvency i.e. ability to meet the short term obligations by matching current assets against current liabilities. Ideal current ratio is 2 : 1 (2.0). However, a very high ratio indicates availability of idle cash and is not a good sign.

**Quick Ratio** - A measure of the amount of liquid assets available to offset current liabilities. The ratio is 1:1 (1.0), the business is said to be in a liquid condition. The larger the ratio, the greater the liquidity.

<b>LEVERAGE RATIOS</b>	<b>31-Mar-2013</b>	<b>31-Mar-2012</b>	<b>31-Mar-2011</b>
Debt Ratio	0.74	0.75	0.81
Debt Equity Ratio	0.56	0.88	1.11
Current Liabilities / Net Worth	2.52	2.34	3.34
Fixed Asset/ Net Worth	0.64	0.88	0.94
Interest Coverage Ratio	1.69	1.49	1.60

**Debt Ratio** - A ratio that indicates what proportion of debt a company has relative to its assets. A debt ratio of greater than 1 indicates that a company has more debt than assets. The debt ratio can help investors determine a company's level of risk.

**Debt Equity Ratio** - The debt-to-equity ratio is a measure of the relationship between the short term & long term debts and the capital contributed by shareholders. A ratio of 1:1 is usually considered to be satisfactory ratio.

**Current Liabilities /Net Worth** - This ratio indicate the amount due to creditors within a year as a percentage of the owners or stockholders investment. The smaller the net worth, larger the liabilities, resulting in less security for creditors.

**Fixed Asset/ Net Worth** - The ratio indicates the extent to which shareholder's funds are invested into the fixed assets. If this ratio is unusually large, a company may be overinvested in fixed assets and vice versa if it is small it may limit the company's ability to produce profits. A ratio of .75 or higher is usually undesirable.

**Interest Coverage Ratio** - A ratio used to determine how easily a company can pay interest on outstanding debt. It measures the margin of safety for the lenders. The higher the number, more secure the lender is in respect of periodical interest.

# **Business Information Report**

<b>EFFICIENCY RATIOS</b>	<b>31-Mar-2013</b>	<b>31-Mar-2012</b>	<b>31-Mar-2011</b>
Average Collection Days	39.92	35.46	37.81
Accounts Receivable Turnover	9.14	10.29	9.65
Average Payment Days	---	8.95	12.20
Inventory Turnover	6.92	6.82	5.80
Asset Turnover	19.53	13.21	14.98

**Average Collection Days** - The approximate amount of time that it takes for a business to receive payments owed, in terms of receivables, from its customers and clients. Possessing a lower average collection period is seen as optimal.

**Accounts Receivable Turnover** - The accounting measure used to quantify a firm's effectiveness in extending credit as well as collecting debts. A high ratio implies either that a company operates on a cash basis or that its extension of credit and collection of accounts receivable is efficient.

**Average Payment Days** - The average payment days represents the number of days taken by the company to pay its creditors. A lower credit period ratio signifies that the creditors are being paid promptly. However a very favorable ratio to this effect also shows that the business is not taking the full advantage of credit facilities allowed by the creditors.

**Inventory Turnover** - A ratio showing how many times a company's inventory is sold and replaced over a period. A low turnover implies poor sales and, therefore, excess inventory. A high ratio implies either strong sales or inefficient buying.

**Asset Turnover** - Asset turnover ratio measures the efficiency of a company's use of its assets in generating sales revenue or sales income to the company. The higher the number the better.

<b>PROFITABILITY RATIOS</b>	<b>31-Mar-2013</b>	<b>31-Mar-2012</b>	<b>31-Mar-2011</b>
Operating Profit Margin	4.00	4.50	4.17
Net Profit Margin	1.08	1.01	1.10
Return on Total Assets	3.26	2.73	2.82
Return on Equity	13.53	11.74	15.56

**Operating Profit Margin** - The operating profit margin ratio is a measure of overall operating efficiency of a company. It is expressed as a percentage of sales and shows the efficiency of a company for controlling the costs and expenses associated with business operations.

**Net Profit Margin** - Net Profit Margin ratio is calculated by dividing net profit by operating income. It measures how much out of every unit of sales a company actually earns profit. The higher the ratio the better.

**Return on Total Assets** - The Return on Assets of a company determines its ability to utilize the Assets employed in the company efficiently and effectively to earn a good return. The greater a company's earnings in proportion to its assets the more effectively that company is said to be using its assets.

**Return on Equity** - Return on equity measures the return on the ownership interest of the common stock owners. It measures a firm's efficiency at generating profits from every unit of shareholders' equity.

# **Business Information Report**

## INDUSTRY SCENARIO

(Medical Devices & Equipment)

The size of Indian medical equipment supplies industry is likely to touch US\$ 7 billion by 2012 since a large of public and private healthcare facilities would come up by then in different locations, especially in metros and other emerging satellite town with concentration for economic activities, according to The Associated Chambers of Commerce and Industry of India (ASSOCHAM).

In it's Paper on Healthcare Services, the ASSOCHAM has stated that current domestic medical equipment suppliers size is estimated around close to US\$ 3 billion.

The projections are based on the fact that medical equipment supplies have already started stretching their plans since a substantial number of healthcare facilities are likely to be added in metros and more so in satellite town adjoining to metros since such townships are being promoted for industrial development.

Most of such facilities are estimated to come up through public private initiatives in which leading healthcare facilities are likely to forge alliances with state owned healthcare facilities. In view of this, naturally medical equipment suppliers would have to play a pivotal role to meet the requirement to set up world class laboratories and other centres in such utilities, said Mr. D S Rawat, Secretary General ASSOCHAM

The ASSOCHAM Paper points out that even players belonging to private equity segment have started exploring ways for investing in such healthcare facilities. According latest estimates, private equity investments in healthcare facilities both in hospitals as well as on medical equipment supplier front is found to be close to US\$ 50 billion.

The industry is viewed as highly capital intensive, with a long gestation period. Also, Indian PE players view the industry as low on innovation, and thus not justifying the investments needed.

Again, medical equipment requirements are based on the type of service offered by the healthcare provider, and in most cases the Indian providers focus on the minimum requirements for cost as well as number. This makes it difficult for a new entrant to garner enough market share, making the return on investment unattractive to investors.

Most of the equipment in the Indian market is imported, especially from the USA. However, in the past few years there has been a mushrooming of Indian players who cater to the demands of the quality conscious private hospitals as well as the cost conscious public government hospitals.

Some of the Indian companies that have established a lead in the industry include Medived Innovations, Opto Circuits, Trivitron Healthcare, etc. Though these companies manufacture niche products with international accreditations, they are mostly export oriented rather than supplying their produce to domestic market. As the Indian market is maturing, however, these companies will now increase their focus on Indian market, keeping in mind the regulatory requirements and the cost dynamics.

### Top Industry Players

- India Medtronic Private Limited
- Becton Dickinson India Private Limited
- Alcon Laboratories India Private Limited
- Opto Circuits India Ltd.
- Trivitron Healthcare Private Limited
- Allengers Medical Systems Limited
- Leeford Healthcare Limited
- Span Diagnostics Ltd
- South India Surgical Co Limited

# **Business Information Report**

## **Credit Rating Explanation**

<b>Credit Rating</b>	<b>Credit Score</b>	<b>Explanation</b>	<b>Rating Comments</b>
A+	81 - 100	Low Risk	Business dealings permissible with low risk of default.
A	61 - 80	Moderate Risk	Business dealings permissible with moderate risk of default.
B	40 - 60	Medium Risk	Business dealings permissible on a regular monitoring basis.
C	21 - 39	Medium High Risk	Business dealings permissible preferably on secured terms.
D	1 - 20	High Risk	Business dealing not recommended or on secured terms only.
NR	--	No Rating	No recommendations can be made at this stage due to lack of sufficient information.

*The credit appraisal provides an assessment of the creditworthiness of a company. It takes into account significant elements of credit including history, business performance, management, background, financial position, payment history, overall market conditions, market trends and the reputation of the company.*

*NR is stated where there is insufficient information to facilitate rating. However, it is not to be construed as unfavorable..*

## **FOREX RATES (APPROX.)**

USD	= INR	61.48	GBP	= INR	98.19
100 Jap Yen	= INR	54.54	SGD	= INR	47.75
EURO	= INR	76.76	CAD	= INR	54.48
CHF	= INR	63.65	HKD	= INR	7.92
AUD	= INR	53.70	AED	= INR	16.74

1 Crore = 10 Million = 100 Lac = 10000 Thousand

*This report is based on information from sources believed to be true. Any advice or recommendation in this report has been given without specific investment objectives and the particular needs of any specific addressee. It must be distinctly understood that though utmost care has been exercised to obtain reports of a reliable character but we accept no liability whatsoever for any direct or consequential loss arising from any use of this document.*

## **END OF REPORT**