

19th ANNUAL REPORT
2011 - 2012



Medinova
Diagnostic Services Limited

Board of Directors

A Raghava Reddy - Chairman

P K Reddy

S Basu Thakur

D A Srinivas

A Sailaja

Chief Operating Officer

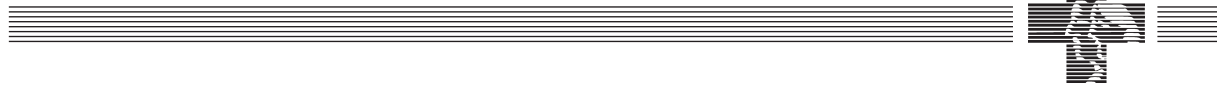
N Ravi Kumar

Auditors

M/s J B Reddy & Co.,
Chartered Accountants
206, Srinilaya Estates
Ameerpet
Hyderabad - 500073

Registered Office

6-3-652, 'Kautilya'
Somajiguda, Hyderabad - 500 082
Ph: 040-23310066, Fax: 23327464
Email: medicorp@medinovaindia.com



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Medinova Diagnostic Services Limited will be held on Friday, the 28th September, 2012 at 11.30 a.m at Hotel Green Park, Greenlands, Begumpet, Hyderabad - 500 016 to transact the following business:

ORDINARY BUSINESS

01. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2012 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 Sri P K Reddy who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in the place of Sri D A Srinivas who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint Auditors and fix their remuneration.

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 Wednesday the 26th September, 2012 to Friday the 28th September, 2012 (both days inclusive).
03. The Members are requested to send their correspondence, if any, to M/s. XL Softech Systems Limited, the Registrar and Share Transfer Agent.

By order of the Board

Place : Hyderabad
Date : 14th August, 2012

P K Reddy
Director

DIRECTORS' REPORT

To
The Members of
Medinova Diagnostic Services Ltd,

Your Directors have pleasure in presenting the Nineteenth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2012 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	2011-2012	2010-2011
Total Income	1306.05	1329.15
Total Expenditure	1257.68	1293.75
Interest	8.97	20.94
Depreciation	58.21	56.44
Profit / (Loss) before Exceptional Items and Tax	(18.81)	(41.98)
Exceptional Items	8.48	5.12
Profit / (Loss) before Tax	(27.29)	(47.10)
Tax relating to prior years	0.00	0.24
Provision for Deferred Tax	(0.97)	(24.96)
Profit / (Loss) after Tax	(26.32)	(22.38)

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors hereby confirm that

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments 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;



- c) 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;
- d) they have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

OPERATIONS:

During the year the total turnover was Rs.1306.05 lacs and Net loss after taxes was Rs.26.32 lacs. Eventhough, there is a marginal drop in turnover when compared to the previous years' turnover, during the year, the company had put in efforts to remain competitive and managed to withstand the market pressures. The Centres were upgraded by acquiring new CT Machine, Digital X-ray & Ultrasound Scanners.

DIVIDEND:

In view of the loss, your directors have not recommended any dividend on the paid up equity share capital of the company, for the year.

DIRECTORS:

Sri P. K. Reddy and Sri. D. A. Srinivas, Directors retire by rotation and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE:

The Audit Committee consists of Sri A Raghava Reddy, Sri P K Reddy and Smt. A Sailaja. Sri P K Reddy is the Chairman of the Audit Committee. The Committee met four times during the financial year 2011-12 and reviewed the financial results and statements, internal control procedures, accounting procedures etc.

AUDITORS:

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

With regard to the Auditors' observation on delays in making payments towards Income Tax dues, ESI and Provident Fund contributions, necessary corrective steps

have been taken to remit the amount regularly. Part of statutory dues, as observed by the Auditors, have already been cleared.

PUBLIC DEPOSITS:

During the year, the company has not accepted any deposits in the nature of public 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 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.

CORPORATE GOVERNANCE :

A report on the Corporate Governance together with the Management Discussion & Analysis and the Auditor's Certificate on compliance with the conditions of Corporate Governance under clause 49 of listing agreement, is given in the Annexure.

ACKNOWLEDGMENTS:

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

Place : Hyderabad
Date : 14th August, 2012

P K Reddy
Director



ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview:

The Diagnostic Market of India has been witnessing rapid growth on account of high prevalence of growing diseases. So far, the diagnostic sector in India has been dominated by local players; however, the Dynamics for this sector in India are now ready for a re-vamp with the entry of large foreign players and big players of India.

According to the recent study it is observed that the growth of Diagnostic Centre market in India is not very healthy one as it is more skewed towards metro and big cities; whereas the semi urban and rural area have still remained unpenetrated and that is the untapped area, which needs to be cultivated with organized efforts. The small players, who are ruling the roost in those areas have to make the way for the organized players to come in. This process is being expedited as the Government of India has also enacted the 'National Clinical Establishment Act, 2010', which makes registration and quality compliance mandatory for laboratories and diagnostic centers.

Government is also taking initiatives in boosting up the healthcare sector by entering into Public-Private-Partnership. The Private diagnostic players will find it less difficult to enter rural market by entering into Partnership with Government and expand at larger scale.

Thus the benefits of latest medical technology can help the people of the country at large.

Company's Performance:

Diagnostic Services industry has been undergoing through changes over the years. Large Centres are competing with many small centres resulting in less margin in the operation although it needs more investment to maintain quality. Your Company's approach towards the satisfaction of the patients has kept them ahead of others in terms of goodwill.

The turnover during the year 2011-12 was Rs.1306.05 lacs, which is slightly less than that of the previous year. The loss after tax was Rs.26.32 lacs during the year.

Risk Management:

Risk is always involved in any business. Diagnostic Services business is no exception to it. However, your Company with its vast experience in this field are able to evaluate and analyze the risks from time-to-time and taking appropriate measures in overcoming the same.

Future Outlook:

Diagnostic Services business in India has become matured over the years. Standalone Diagnostic Centres are now divided into two very clear categories – One will have the facilities of Radiology, Lab, Cardiology etc., and the other one is only with exclusive Laboratories. However, your company pioneered the concept of all diagnostic facilities under one roof and it will continue to be bracketed in the same category in future also.

S W O T:

1. Pan India presence; Brand image is quite strong.
2. Retention of Human Resources with less attrition rate; a strong relationship.
3. 'Quality' is the key word which is being followed by the company religiously; strong bonding with the patients.
4. New entrants with huge investment posing threats.

CORPORATE GOVERNANCE

The Company's philosophy on Code of Corporate Governance:

The Company believes in fair business and Corporate Practices while dealing with all the shareholders, customers and others. The Company believes in discharging its statutory obligations and duties to its best ability.

Board of Directors:

The Board of the Company consists of five Directors.

Composition of Directors is as follows:

Sri A Raghava Reddy	: Chairman
Sri P K Reddy	: Director
Sri S Basu Thakur	: Director
Sri D A Srinivas	: Director
Smt. A. Sailaja	: Director

Board Procedure:

During the Financial Year 2011-12, five meetings of the Board were held. The details of Board, Audit Committee and Shareholders/Investors Grievance Committee Meetings held during the year 2011-12 are given below:

Date of the Meeting	Total Members	Total Members Attended
1. Board Meeting		
12.05.2011	5	4
12.08.2011	5	4
14.11.2011	5	4
09.01.2012	5	4
08.02.2012	5	3
2. Audit Committee		
12.05.2011	3	3
12.08.2011	3	3
14.11.2011	3	3
08.02.2012	3	2
3. Shareholders / Investors Grievance Committee		
14.05.2011, 31.05.2011}		
30.06.2011, 30.07.2011}	2	2
18.01.2012}		



The details of the attendance of each Director at the Board Meetings and the last AGM held during the year 2011-12 are given below:

Name of the Director	Attendance at Board Meeting	AGM Yes/No
Sri A Raghava Reddy	4	Yes
Sri P K Reddy	5	Yes
Sri S Basu Thakur	5	Yes
Sri D A Srinivas	Nil	No
Smt. A Sailaja	5	No

Audit Committee:-

The Committee consists of Sri A Raghava Reddy, Director, Sri P K Reddy, Director and Smt. A Sailaja, Director. Sri P K Reddy is the chairman of the Committee.

The Audit Committee met four times during the year.

Remuneration Committee:-

No separate remuneration committee was formed. None of the Directors is paid any remuneration other than sitting fees for the Board meetings attended.

Shareholders / Investors Grievance Committee:-

The Shareholders / Investors Grievance Committee consists of Sri A Raghava Reddy, Chairman and Sri S Basu Thakur, Director. The Committee met five times during the year. There were no complaints outstanding as on 31.03.2012. Sri N Ravi Kumar, Chief Operating Officer is the compliance officer.

General Body Meeting:-

The details of location and time of last three Annual General Meetings are given below:-

Year	Location	Date	Time
2008-2009	Hotel Green Park, Greenlands, Begumpet, Hyderabad	29th Sept., 2009	11.30 A.M
2009-2010	Hotel Green Park, Greenlands, Begumpet, Hyderabad	28th Sept., 2010	11.30 A.M
2010-2011	Hotel Green Park, Greenlands, Begumpet, Hyderabad	28th Sept., 2011	11.30 A.M

There was no special resolution put through postal ballot.

Disclosures:-

a) No transaction of material nature has been entered into by the Company with its promoters, Directors or the Management, their successors, relatives etc., that may have potential conflict with the interest of the Company at large. For the details of other transactions and past transactions with deemed related parties, the members attention is invited to Note no. 29 in the Notes Forming Part of Financial Statements.

b) The details of Non-compliance by the Company:- Except for suspension of the trading in the shares of the Company by the Bombay Stock Exchange Ltd, Mumbai due to delay in payment of Annual Listing Fees, there were no instances of Non-compliance or penalty, strictures passed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to the Capital Markets during the last three years.

CEO/CFO Certification:

In accordance with the provisions of Clause 49(v) of the listing agreement, the Chief Operating Officer of the Company has furnished the requisite certificate to the Board of Directors, the Audit Committee and the Auditors.

Means of Communication:

The quarterly and half yearly results of the Company were published during the Financial Year under review in the News Papers namely, Financial Express & Andhra Prabha.

General Shareholders Information:

The Nineteenth Annual General Meeting will be held on Friday, the 28th September, 2012 at 11.30 a.m at HOTEL GREEN PARK, GREEN LANDS, BEGUMPET, HYDERABAD - 500 016.

Date of Book Closure:

The Company's Share Transfer Books will remain closed from Wednesday, the 26th September, 2012 to Friday, the 28th September, 2012 (both days inclusive) for purpose of Annual General Meeting for the Financial Year ended 31st March, 2012.

Listing on Stock Exchanges:

The Company's shares are presently listed on the Bombay Stock Exchange Ltd, Mumbai. The address of the Stock Exchange is given below:

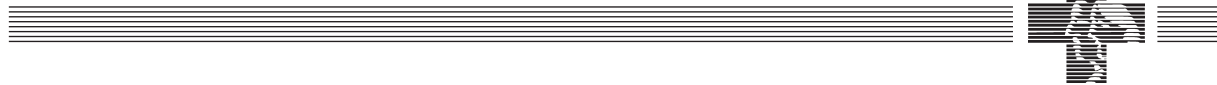
Stock Code:

(In BSE)	526301
Address	
The Bombay Stock Exchange Ltd.	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

Market Price Data : Not available

Distribution of Shareholdings as on 31.03.2012 (Including Dematerialized Shares):

No. of equity Shares held	% of share capital
upto 500	18.26
501 - 1000	2.56
1001 - 2000	1.62
2001 - 3000	0.53
3001 - 4000	0.42
4001 - 5000	0.29
5001 - 10000	1.45
10001 and above	74.87
TOTAL	100.00

**Dematerialization of Shares:**

The Company's equity shares are included in the list of Companies whose scrips have been mandated by SEBI for settlement only in dematerialized form by all investors.

Registrar and Transfer Agents:

The Company has appointed M/s XL Softech Systems Ltd. as a Common Transfer Agent for demat of shares. Address: M/s XL Softech Systems Ltd., 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034.

Investor Correspondence:

Any query relating to shares and requests for transactions such as transfers, transmissions and nomination facilities, duplicate share certificates, change of address, non-receipt of dividend/ Annual Report, as also regarding dematerialization of shares may please be taken up with the Company's Registrar and Transfer Agent :

Address: XL Softech Systems Ltd. 3, Sagar Society,
Road No.2, Banjara Hills, Hyderabad - 500 034
Phone No(s): 040-23545913 / 14 / 15.
Email: xlfield@rediffmail.com.

Medinova Centres :

- Hyderabad :** 6-3-652, Anand Chambers,
Somajiguda, Hyderabad - 500 082
Phone Nos: 040-23311122 / 33.
Email: medinova@medinovaindia.com
- Bangalore :** 55, Infantry Road, Bangalore - 560 001
Phone Nos: 080-22868423 / 22860513.
Email: medinovadsc@hotmail.com
- Pune :** 1319, Junglee Maharaj Road, Shivajinagar,
Pune – 411 005.
Ph.Nos: 020-25534987 / 25533731
Email: medinova@pn3.vsnl.net.in
- Kolkata :** 1, Sarat Chatterjee Avenue, Kolkata - 700 029
Phone Nos: 033-24660780 / 24661780.
Email: medinova.kolkata@gmail.com

Auditors' Certificate on Corporate Governance:

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is given as an annexure to the Directors' Report.

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Board has laid down a Code of Conduct for all Directors and Senior Management Personnel of the Company. It is further confirmed that all Directors and Senior Management Personnel of the company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2012 as envisaged in clause 49 of the Listing Agreement with Stock Exchange.

Place : Hyderabad
Date : 15th May, 2012

P K Reddy
Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Medinova Diagnostic Services Limited.

We have examined the compliance of conditions of Corporate Governance by Medinova Diagnostic Services Limited, for the year ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, except for the suspension of the trading in the shares of the Company by the Bombay Stock Exchange Ltd, Mumbai due to delay in payment of listing fees, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **J B REDDY & CO.**,
Chartered Accountants
Firm Regn. No. 003256S

Place : Hyderabad
Date : 14th August, 2012

A V REDDY
Partner
M.No. 23983



INDEPENDENT AUDITORS' REPORT

To

The Members of
Medinova Diagnostic Services Limited,
Report on the Financial Statements

We have audited the accompanying financial statements of MEDINOVA DIAGNOSTIC SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2012, the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by sub-section (3) of section 227 of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2012 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

for **J B REDDY & CO.,**
Chartered Accountants
Firm Regn. No. 003256S

Place : Hyderabad
Date : 14th August, 2012

A V REDDY
Partner
M.No. 23983



Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All fixed assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
- c. There was no substantial disposal of Fixed Assets during the Year.
- ii) a. The Management has conducted physical verification of inventory at reasonable intervals during the year.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) a. The Company had taken Loans from three parties covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance was Rs.16,06,56,290/-. The said loans/ advances are interest free and other terms and conditions on which the said loans/ advances were obtained are not prima facie prejudicial to the interest of the Company. As per the information and explanations given to us, there are no specific conditions as to repayment of these loans.
- b. The Company had granted inter-corporate loans, unsecured loans (including the balances in current account under loans and advances) to a Company listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved in these transactions during the year was Rs.12,73,06,918/- and the year-end balance of the said Loans & Advances was Rs.12,52,21,007/-. As per the information and explanations given to us, in view of the settlement arrangement reached with the said Company, no further interest is to be charged on the dues w.e.f 1st April, 2004 and the said dues are to be repaid by the said Company in a phased manner.
- iv) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of Services. During the course of our audit no major weaknesses have been noticed in internal controls in these areas.
- v) a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not accepted any deposits in the nature of public Deposits.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956 for any of its products.



- ix a. The provisions of Sales Tax, Excise Duty, Cess and others are not applicable to the company. However, *the Company is not regular in depositing the Provident Fund and Employees' State Insurance Contributions & Income tax Dues.*
- b. According to the information and explanations given to us *excepting an amount of Rs.25,06,574/- representing Provident Fund and ESI Contributions & Income Tax dues*, there were no other undisputed statutory dues outstanding, at the year end for a period of more than six months from the date they became payable.
- c. According to the records of the Company and on the basis of the information and explanations given to us, there are no dues of Sales-tax, Income-tax, Custom Duty, Wealth tax, Excise Duty, Service Tax & Cess which have not been deposited on account of any dispute, *excepting the interest on Provident Fund* as per the details given hereunder.
- | Name of the Statute | Amount (Rs.in lakhs) | Period to which the amount relates | Forum where dispute is pending |
|------------------------------------|----------------------|------------------------------------|---|
| Employees Provident Fund Act, 1952 | 5.61 | 1998-2001 | Employees Provident Fund Appellate Tribunal, New Delhi. |
- x) *The accumulated losses of the Company at the end of the Financial Year are more than Fifty percent of its net worth. The Company has not incurred cash losses during the financial year and in the immediately preceding Financial Year.*
- xi) The company has not defaulted in repayment of dues to Financial Institutions, Banks and Debenture Holders..
- xii) The Company has not granted any loans or advances on the basis of security by the way of pledge of shares, debentures or other securities.
- xiii) In our opinion, the Company is not a chit fund, nidhi or mutual benefit fund / society. Therefore, the provisions of Clause 4 (xiii) of the order are not applicable.
- xiv) In our opinion, and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the order are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xvi) The provisions of Clause (xvi) is not applicable to the Company during the year under consideration since there are no term loans outstanding as at the year end.
- xvii) The funds raised on short term basis have not been used for long term investment and whereas part of long term funds were used for working capital requirement of the company.
- xviii) The Company has not made, during the year, any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures and hence creation of securities or charge for debentures does not arise.
- xx) During the year, the company has not raised any money by way of public issue. Hence other matters specified in the Clause are not applicable to the Company.
- xxi) As per the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.

for J B REDDY & CO.,
Chartered Accountants
Firm Regn. No. 003256S

Place : Hyderabad
Date : 14th August, 2012

A V REDDY
Partner
M.No. 23983



BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	As at 31st March 2012 (Rupees)	As at 31st March 2011 (Rupees)
I EQUITY & LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	2	9,45,68,400	9,45,68,400
b) Reserves and Surplus	3	<u>(12,38,28,794)</u>	<u>(12,11,96,781)</u>
Sub-Total		<u>(2,92,60,394)</u>	<u>(2,66,28,381)</u>
2. Non-Current Liabilities			
a) Long Term Borrowings	4	16,06,56,290	15,96,29,679
b) Other Long Term Liabilities	5	4,14,474	2,06,198
c) Long Term Provisions	6	<u>19,027</u>	<u>0.00</u>
Sub-Total		<u>16,10,89,791</u>	<u>15,98,35,877</u>
3. Current Liabilities			
a) Short-Term Borrowings	7	3,83,715	4,03,203
b) Trade Payables	8	84,69,593	65,99,615
c) Other Current Liabilities	9	9,17,99,867	9,14,67,306
d) Short-Term Provisions	10	<u>34,20,906</u>	<u>49,55,508</u>
Sub-Total		<u>10,40,74,081</u>	<u>10,34,25,632</u>
TOTAL		<u>23,59,03,478</u>	<u>23,66,33,128</u>
II ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	11	6,10,08,897	5,80,26,767
ii) Capital Work-in-Progress		44,42,629	51,54,607
b) Deferred Tax Assets (Net)	12	2,13,295	1,15,927
c) Long Term Loans & Advances	13	12,02,12,167	12,52,21,007
d) Other Non-Current Assets	14	<u>7,77,538</u>	<u>7,77,538</u>
Sub-Total		<u>18,66,54,526</u>	<u>18,92,95,846</u>
2. Current Assets			
a) Inventories	15	58,45,258	80,97,880
b) Trade Receivables	16	2,03,84,216	2,35,09,802
c) Cash and Cash equivalents	17	10,38,460	5,06,825
d) Short Term Loans and Advances	18	<u>2,19,81,018</u>	<u>1,52,22,775</u>
Sub-Total		<u>4,92,48,952</u>	<u>4,73,37,282</u>
TOTAL		<u>23,59,03,478</u>	<u>23,66,33,128</u>
Significant Accounting Policies	1		

As per our report of even date

for JB REDDY & CO.,
Chartered Accountants
Firm Regn. No. 003256S

A V REDDY
Partner
M.No. 23983

Place : Hyderabad
Date : 14th August, 2012

for and on behalf of the Board

P K REDDY
Director

S BASU THAKUR
Director

N RAVIKUMAR
Chief Operating Officer



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Note No.	For the Year ended 31st March 2012 (Rupees)	For the Year ended 31st March 2011 (Rupees)
I Revenue from Operations	19	12,96,12,258	13,20,85,161
II Other Income	20	9,93,334	8,29,949
III Total Revenue (I+II)		<u>13,06,05,592</u>	<u>13,29,15,110</u>
IV Expenses:			
Cost of Materials Consumed	21	1,59,68,188	1,53,00,377
Employee Benefits Expense	22	2,32,85,889	2,55,13,350
Finance Costs	23	8,97,564	20,94,108
Depreciation	11	58,21,571	56,44,350
Other Expenses	24	8,65,13,945	8,85,61,267
Total Expenses		<u>13,24,87,157</u>	<u>13,71,13,452</u>
V Profit / (Loss) Before Exceptional Items and Tax (III-IV)		(18,81,565)	(41,98,342)
VI Exceptional Items	25	8,47,816	5,11,834
VII Profit / (Loss) Before Tax (V-VI)		(27,29,381)	(47,10,176)
VIII Tax Expenses:			
Tax relating to prior years		-	24,640
Deferred Tax	12	(97,368)	(24,95,978)
IX Profit / (Loss) for the Year (VII-VIII)		<u>(26,32,013)</u>	<u>(22,38,838)</u>
X Earnings per Equity Share:			
Basic & Diluted		(0.28)	(0.24)
Significant Accounting Policies	1		

As per our report of even date

for JB REDDY & CO.,
Chartered Accountants
Firm Regn. No. 003256S

A V REDDY
Partner
M.No. 23983

Place : Hyderabad
Date : 14th August, 2012

for and on behalf of the Board

P K REDDY
Director

S BASU THAKUR
Director

N RAVIKUMAR
Chief Operating Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended 31.03.2012 (Rupees in lakhs)	For the year ended 31.03.2011 (Rupees in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	(27.29)	(47.10)
Adjustments for:		
Depreciation	58.21	56.44
Interest Income	(0.19)	(0.80)
Interest Expenditure	8.97	20.94
Loss on sale of fixed assets	8.48	5.11
Operating Profit before Working Capital Changes	48.18	34.59
Adjustment for:		
Inventories	22.53	11.03
Trade Receivables	31.25	(13.25)
Short Term Loans & Advances	(67.58)	70.66
Other Long Term Liabilities	2.08	1.58
Trade Payables	18.70	46.83
Other Current Liabilities	3.32	(107.28)
Short Term Provisions	(15.35)	4.87
Long Term Provisions	0.19	0.00
Cash generated from Operations	43.32	49.03
Taxes Paid	0.00	0.24
Net Cash from Operating Activities	43.32	48.79
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(103.21)	(71.33)
Sale of fixed assets	6.70	5.34
Decrease in Capital Work-In-Progress	7.12	0.00
Interest Received	0.19	0.80
Net Cash from in Investing Activities	(89.20)	(65.19)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long Term borrowings	10.26	32.71
Decrease in Short Term borrowings	(0.19)	(20.13)
Decrease in Long Term Loans & Advances	50.09	20.86
Interest paid	(8.97)	(20.94)
Net cash flow from financing activities	51.19	12.50
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	5.31	(3.90)
Cash and Cash equivalents as at the beginning of the year	5.07	8.97
Cash and Cash equivalents as at the end of the year	10.38	5.07

As per our report of even date

for **JB REDDY & CO.,**
Chartered Accountants
Firm Regn. No. 003256S

for and on behalf of the Board

A V REDDY
Partner
M.No. 23983

P K REDDY
Director

S BASU THAKUR
Director

Place : Hyderabad
Date : 14th August, 2012

N RAVIKUMAR
Chief Operating Officer



NOTES FORMING PART OF FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India. The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards Notified under the Companies (Accounting Standard Rules, 2006 as amended) and relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The Accounting Policies adopted in the Financial Statements are consistent with those of previous year except for the change in accounting policy explained below:

1.2 CHANGES IN ACCOUNTING POLICY

During the year ended March 31st 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its Financial Statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements. However, it has significant impact on presentation and disclosures made in the Financial Statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

1.3 USE OF ESTIMATES

The Preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets or liabilities in future periods.

1.4 REVENUE RECOGNITION

All Income and expenditure are accounted on accrual basis. The Members Subscriptions under the Gold Card Plus Scheme are being accounted as income, proportionately over the scheme period of Five Years. Income from Service Benefit scheme is being accounted in the year of utilization of services.

1.5 FIXED ASSETS AND DEPRECIATION

Fixed Assets are valued at Cost less Depreciation. The carrying amount of fixed assets are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed the estimated recoverable amount, assets

are written down to their recoverable amount.

Depreciation is provided on straight line basis as per the rates prescribed in Schedule XIV of the Companies Act, 1956.

1.6 IMPAIRMENT OF ASSETS

The company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

1.7 INVENTORIES

Inventories are carried at lower of cost and net realizable value. Cost is determined on First-in-First-out basis.

1.8 EMPLOYEE BENEFITS

- i) Contribution to Provident Fund is recognized as an expenditure on accrual basis.
- ii) The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death while in employment or on termination of employment in an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Gratuity plan of the entity is an unfunded plan. The company accounts for the liability for future Gratuity benefits on the basis of an independent actuarial valuation.
- iii) Leave encashment is not categorized as a retirement benefit, as the company is in the practice of paying the leave encashment benefit every year.

1.9 LEASES

Leases, where the lesser retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Operating lease payments consisting of Rentals for the premises taken on lease are recognized as an expense in Statement of profit & loss on straight line basis over the lease term.

1.10 INCOME TAXES

Tax expenses comprise current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.



Note No.	Particulars	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
2	SHARE CAPITAL		
	Authorised:		
	1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
	Issued, Subscribed and Paidup:		
	94,81,640 Equity Shares of Rs.10/- each Subscribed and called up in full	9,48,16,400	9,48,16,400
	Less: Allotment Money Arrears	2,48,000	2,48,000
	Total	9,45,68,400	9,45,68,400
	a) Reconciliation of number of shares:		
	Shares outstanding as at 1st April,2011/1st April,2010	94,81,640	94,81,640
	Shares outstanding as at 1st April,2012/1st April,2011	94,81,640	94,81,640
	b) List of share holders holding more than 5% of the total number of shares issued by the company:		
	- Standard Medical & Pharmaceuticals Limited	27,50,220	27,50,220
	- Harvins Constructions Private Limited	9,76,600	9,76,600
	- Bhanu Cerglaze Private Limited	6,00,000	6,00,000
	- Prontosil Pharmaceuticals Private Limited	5,00,000	5,00,000
	- Vamsi Farms Private Limited	5,00,000	5,00,000
	- Harvins Marine Products Private Limited	5,00,000	5,00,000
	- 3A Capital Services Limited	4,81,250	4,81,250
3	RESERVES & SURPLUS		
	a) General Reserve	62,45,547	62,45,547
	b) Surplus / (Deficit) in Statement of Profit & Loss		
	Opening Balance	(12,74,42,328)	(12,52,03,490)
	Add: Profit / (Loss) for the year	(26,32,013)	(22,38,838)
	Closing Balance	(13,00,74,341)	(12,74,42,328)
	Total	(12,38,28,794)	(12,11,96,781)
4	LONG-TERM BORROWINGS		
	Loans & Advances from Companies (Unsecured)	16,06,56,290	15,96,29,679
	Total	16,06,56,290	15,96,29,679

There are no specific terms and conditions as to repayment of the above said loans.



Note No.	Particulars	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
5	OTHER LONG-TERM LIABILITIES (Unsecured)		
	Member's Subscription Under Gold Card Plus Scheme	4,14,474	2,06,198
	Total	4,14,474	2,06,198
6	LONG-TERM PROVISIONS		
	Provision for Gratuity	19,027	0
	Total	19,027	0
7	SHORT-TERM BORROWINGS		
	Secured Loan repayable on Demand to Bank - Working Capital Loan	3,83,715	4,03,203
	Total	3,83,715	4,03,203
	Working capital loan from a Scheduled Bank is secured by hypothecation of stocks, book debts and machinery. The said loan is further guaranteed by personal guarantee of a director of the company.		
8	TRADE PAYABLES		
	Trade Payables Refer Note No. 33	84,69,593	65,99,615
	Total	84,69,593	65,99,615
9	OTHER CURRENT LIABILITIES		
	Membership Deposits	6,57,68,789	7,02,03,242
	Member's Subscription Under - Gold Card Plus	2,39,724	2,23,748
	- Service Benefit Scheme	46,30,837	61,47,857
	Statutory Dues	50,12,788	46,05,742
	Outstanding Expenses	1,19,55,564	70,72,945
	Other Liabilities	41,92,165	32,13,772
	Total	9,17,99,867	9,14,67,306
10	SHORT-TERM PROVISIONS		
	Provision for Gratuity	34,20,906	49,55,508
	Total	34,20,906	49,55,508

Note - 11
FIXED ASSETS
Tangible Assets:

(in Rupees)

Sl. No	DESCRIPTION	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		As at 31-03-2011	Additions	Sale / Adjust	As at 31-03-2012	As at 31-03-2011	For the Year	Adj on a/c of Sale	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011	
1.	Building including Civil Works on Lease Buildings	2,20,58,253	2,77,050	0	2,23,35,303	50,12,959	3,68,478	0	53,81,437	1,69,53,866	1,70,45,294	
2.	Plant & Machinery	15,09,08,708	86,79,572	33,85,000	15,62,03,280	12,26,33,510	40,12,827	18,67,184	12,47,79,153	3,14,24,127	2,82,75,198	
3.	Office equipment	52,39,036	1,91,775	0	54,30,811	24,69,260	2,52,502	0	27,21,762	27,09,049	27,69,776	
4.	Furniture & Fixtures	65,84,853	6,42,025	0	72,26,878	32,45,427	2,58,549	0	35,03,976	37,22,902	33,39,426	
5.	Vehicles	8,44,825	0	0	8,44,825	5,89,285	38,177	0	6,27,462	2,17,363	2,55,540	
6.	Library	70,250	0	0	70,250	59,458	3,337	0	62,795	7,455	10,792	
7.	Electrical Installation	1,83,33,020	5,31,095	0	1,88,64,115	1,20,02,279	8,87,701	0	1,28,89,980	59,74,135	63,30,741	
	TOTAL	20,40,38,945	1,03,21,517	33,85,000	21,09,75,462	14,60,12,178	58,21,571	18,67,184	14,99,66,565	6,10,08,897	5,80,26,767	





Note No.	Particulars	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
12	DEFERRED TAX ASSETS (NET)		
	Deferred Tax Asset:		
	Losses	57,14,915	69,02,939
	Disallowances under the income tax Act,1961	29,78,820	23,79,578
		<u>86,93,735</u>	<u>92,82,517</u>
	Less : Deferred Tax Liability Related to Fixed assets	84,80,440	91,66,590
	Total	<u>2,13,295</u>	<u>1,15,927</u>
13	LONG-TERM LOANS & ADVANCES		
	Loans & Advances to Related Parties (Unsecured)#	12,02,12,167	12,52,21,007
	Total	<u>12,02,12,167</u>	<u>12,52,21,007</u>
	# Refer to Note Nos. 29 & 30.		
14	OTHER NON-CURRENT ASSETS		
	Mat Credit Entitlement	7,77,538	7,77,538
	Total	<u>7,77,538</u>	<u>7,77,538</u>
15	INVENTORIES (at lower of cost or net realisable value)		
	Films	2,21,576	5,83,325
	Chemicals	15,92,594	26,88,290
	Medicines	6,83,034	10,16,150
	Consumables	7,78,714	8,91,804
	Stores & Spares	16,12,819	19,51,386
	Stationery	6,83,945	6,89,847
	Others	2,72,576	2,77,078
	Total	<u>58,45,258</u>	<u>80,97,880</u>
16	TRADE RECEIVABLES		
	Unsecured, Considered Good	2,03,84,216	2,35,09,802
	Total	<u>2,03,84,216</u>	<u>2,35,09,802</u>
	Trade Receivables of Rs.93,76,739/- (Previous Year: Rs.1,10,49,607/-) is outstanding for a period exceeding six months from the date they are due for payment		
17	CASH AND CASH EQUIVALENTS		
	Balances with Scheduled Banks in Current Accounts	7,97,721	3,31,193
	Cash on Hand	2,40,739	1,75,632
	Total	<u>10,38,460</u>	<u>5,06,825</u>
18	SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good)		
	Loans & Advances to Related Parties#	50,08,840	20,85,911
	Deposits with/Receivables from Statutory/Govt. Authorities	90,60,448	62,77,262
	Other Deposits	39,45,784	22,32,443
	Prepaid Expenses	35,626	1,43,398
	Rent Deposit	35,52,913	35,52,913
	Advance for Supplies & Expenses	3,77,407	9,30,848
	Total	<u>2,19,81,018</u>	<u>1,52,22,775</u>
	# Refer to Note Nos. 29 & 30.		



Note No.	Particulars	For the Year ended 31.03.2012 (Rupees)	For the Year ended 31.03.2011 (Rupees)
19	REVENUE FROM OPERATIONS		
	Diagnostic Centre Receipts	12,86,42,170	13,07,95,366
	Members Subscriptions under Gold Card Plus Scheme	3,35,748	5,66,439
	Franchise Royalty & Service Charges	4,13,940	4,21,356
	Training Fee Receipts	2,20,400	3,02,000
	Total	12,96,12,258	13,20,85,161
20	OTHER INCOME		
	Service Charges	4,39,060	4,63,010
	Interest Income	18,724	80,461
	Miscellaneous Income	5,35,550	2,86,478
	Total	9,93,334	8,29,949
21	COST OF MATERIALS CONSUMED		
	Films	25,86,904	26,60,243
	Chemicals	89,94,691	82,82,618
	Medicines	12,18,611	14,43,290
	Consumables	25,74,002	24,49,421
	Others	5,93,980	4,64,805
	Total	1,59,68,188	1,53,00,377
22	EMPLOYEE BENEFIT EXPENSE		
	Salaries, Bonus and other Allowances	2,06,35,827	2,20,28,908
	Contribution to Provident and other Funds	16,86,907	17,31,277
	Gratuity	1,86,166	9,37,602
	Staff Welfare	7,76,989	8,15,563
	Total	2,32,85,889	2,55,13,350



Note No.	Particulars	For the Year ended 31.03.2012 (Rupees)	For the Year ended 31.03.2011 (Rupees)
23	FINANCE COSTS		
	Interest	5,06,070	17,76,529
	Bank Charges	3,91,494	3,17,579
	Total	8,97,564	20,94,108
24	OTHER EXPENSES		
	Electricity and Fuel Charges	56,12,191	59,63,695
	Repairs & Maintenance		
	- Plant & Machinery	51,00,001	56,32,073
	- Buildings	17,242	52,000
	Rent	88,38,283	94,37,403
	Rates and taxes	2,72,586	1,72,541
	Printing and Stationery	15,79,817	16,70,918
	Postage, Telephones & Trunk Calls	9,75,825	10,81,077
	Travelling and Conveyance	33,87,635	26,40,375
	Remuneration to Auditors		
	- Audit Fee	84,000	84,000
	- Tax Audit Fee	25,000	25,000
	- Tax Representation Fee	25,000	25,000
	Directors Sitting Fee	7,000	6,000
	Insurance	34,385	65,204
	Books, Periodicals & Subscriptions	20,414	25,127
	Annual Listing Fees	28,679	17,145
	Commission to Collection Centres	25,32,515	22,28,682
	Professional Service Charges	85,36,223	67,76,186
	Lab Testing Fee	39,58,914	30,01,598
	Corporate & Gold Card Concessions and Discounts	2,06,53,455	2,39,34,013
	Development Expenses	1,23,83,262	1,29,00,335
	Other Expenses	1,24,41,518	1,28,22,895
	Total	8,65,13,945	8,85,61,267
25	EXCEPTIONAL ITEMS		
	Loss on sale of Fixed Assets	8,47,816	5,11,834
	Total	8,47,816	5,11,834



26. Contingent Liabilities not provided for :	As at 31.03.2012	As at 31.03.2011
	(Rupees)	(Rupees)
Provident Fund interest demand	5,61,368	5,61,368

27. Managerial Remuneration: `	2011-2012	2010-2011
	(Rupees)	(Rupees)
Sri. N. Ravi Kumar, Manager (Designated as Chief Operating Officer)	2,82,700	2,56,200

28. Balances of Secured Loans, Sundry Debtors and Sundry Creditors, Loans and Advances payable or receivable are subject to confirmations to be obtained from the parties.

29. Related Party Transactions :

As required by Accounting Standard - AS 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, details of transactions of related parties with whom transactions have taken place during the year are as follows:

a) Company on which presumed significant influence exists

Name of the Company	:	M/s. Standard Medical & Pharmaceuticals Ltd.
Nature of Relationship	:	Presumed significant influence
Nature of Transactions		Volume (Rupees)
		for the year
		ended 31.03.2012
		(Rupees)
Receiving Services		for the year
Sharing of Expenses - Net	:	ended 31.03.2011
Amount Received - Net	:	(Rupees)
		1,93,598
		24,35,000
Amounts Outstanding as at the	As at 31.03.2012	As at 31.03.2011
Balance sheet date	(Rupees)	(Rupees)
- Call Deposit	3,08,18,305	3,18,18,305
- Advances (including balance in		
current account)	6,14,49,209	6,15,35,120
- Accrued Interest	3,29,53,493	3,39,53,493
- Share Capital (credit)	(2,75,02,200)	(2,75,02,200)

b) Key Management Personnel	for the year	for the year
	ended 31.03.2012	ended 31.03.2011
N.Ravi Kumar, Manager (Designated as Chief Operating Officer)	(Rupees)	(Rupees)
Remuneration:	2,82,700	2,56,200

c) Disclosure regarding Loans & Advances in the nature of Loans to subsidiaries, associates, etc., and their investments in shares of the Company, as required under clause 32 of Listing Agreement.

M/s Standard Medical & Pharmaceuticals Ltd.	Balance	Maximum Outstanding
(an associate Company and in which two Directors	as at	at any time during
of the Company are also Directors).	31.03.2012	the year ended
		31.03.2012
	(Rs. in Lakhs)	(Rs. in Lakhs)
i) Call Deposits, Advances including balance in current account	1252.21	1273.07
together with interest thereon.		
ii) Investment in Company's shares by the associate Company	275.02	275.02
(27,50,220 equity shares of Rs.10/- each)		



30. As detailed in Note No.29, dues from M/s. Standard Medical & Pharmaceuticals Limited represents advances in connection with spin-off and subsequent transactions. In view of the settlement arrangement reached with the said Company, no further interest is to be charged on the dues w.e.f. 1st April, 2004 and the said dues are to be repaid by the said Company in a phased manner. The company is confident of recovery of the same and hence no provision has been made in the accounts.

31. The Company is engaged in the business of Diagnostic Services and related business. There are no other reportable business segments.

32. Disclosure required by the AS-15 (Revised) - Employee Benefits.

The Company adopted the revised Accounting Standard - 15 Employee Benefits. The details of the components of net benefit expenses recognised in the profit and loss account with regard to gratuity and amounts recognised in the Balance Sheet are given below.

a. Expenses Recognised in Statement of Profit & Loss:	for the year 2011-2012 Amount (Rs.)	for the year 2010-2011 Amount (Rs.)
Current Service Cost	1,96,327	2,20,180
Interest Cost on benefit obligation	3,96,441	3,57,443
Expected return on plan assets	Nil	Nil
Net Actuarial (gain) / loss recognized in the year	(4,06,602)	3,59,979
Past services cost	Nil	Nil
Net benefit expenses	1,86,166	9,37,602
Actual return on plan assets	NA	NA
 b. Changes in present value of the defined benefit obligation:	 As at 31.03.2012 Amount (Rs.)	 As at 31.03.2011 Amount (Rs.)
Opening defined benefit obligation	49,55,508	44,68,040
Interest Cost	3,96,441	3,57,443
Current Services Cost	1,96,327	2,20,180
Benefits paid	(17,01,740)	(4,50,134)
Actuarial (gains) / losses on obligation	(4,06,602)	3,59,979
Closing defined benefit obligation	34,39,934	49,55,508
 c. Actuarial Assumptions:		
Salary Raise	6%	6%
Discount Rate	8%	8%
Attrition Rate	10%	6%
Mortality Rate	Table of LIC 1994-96	1994-96
Retirement Age	58 Years	58 Years

33. There are no dues to Micro, Small & Medium Enterprises (MSME) as at the Balance Sheet date and no interest has been paid to any such parties. This is based on the information on such parties having been identified on the basis of information available with the Company and relied upon by the Auditors. Hence Trade Payables in Note No. 8 represent payable to creditors other than MSME.

As per our report of even date
for **JB REDDY & CO.,**
Chartered Accountants
Firm Regn. No. 003256S

for and on behalf of the Board

A V REDDY
Partner
M.No. 23983

P K REDDY
Director

S BASU THAKUR
Director

Place : Hyderabad
Date : 14th August, 2012

N RAVIKUMAR
Chief Operating Officer



Medinova Diagnostic Services Limited

Registered Office : 6-3-652, "Kautilya", Somajiguda, Hyderabad-82.

NINETEENTH ANNUAL GENERAL MEETING ATTENDANCE SLIP

Folio No. :

Name :

Address :

Client ID :

D.P. ID :

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company being held at Hotel Green Park, Greenlands, Begumpet, Hyderabad at 11.30 A.M, on Friday, the 28th September, 2012.

Please complete this slip and hand it over at the entrance of the Meeting Hall duly signed.

Name of the Shareholder/Proxy*

Signature of the Shareholder/Proxy*

* Strike out whichever is not applicable.



Medinova Diagnostic Services Limited

Registered Office : 6-3-652, "Kautilya", Somajiguda, Hyderabad-82.

NINETEENTH ANNUAL GENERAL MEETING PROXY FORM

Client ID :

Folio No. :

D.P. ID :

I/We _____ being a Member/Members of MEDINOVA DIAGNOSTIC SERVICES LIMITED, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 28th September, 2012 or at any adjournment thereof.

Signed this _____ day of _____ 2012.

Name _____

Address _____

Affix Re. 1/-
Revenue
Stamp

Signature

N.B.: Proxy Form should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting. The Proxy need not be a Member of the Company. The form should be signed across the stamp as per specimen signature registered with the Company.

BOOK POST
PRINTED - MATTER

If undelivered please return to :



Medinova Diagnostic Services Limited

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