

20th ANNUAL REPORT
2012 - 2013



Medinova
Diagnostic Services Limited

BOARD OF DIRECTORS

A Raghava Reddy
Chairman

P K Reddy
Director

S Basu Thakur
Director

D A Srinivas
Director

A Sailaja
Director

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

Registrar and Share Transfer Agent :
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.

Chief Operating Officer

N Ravi Kumar

Registered Office

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



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Medinova Diagnostic Services Limited will be held on Wednesday, the 25th September, 2013 at 11.30 a.m at The Central Court Hotel, Lakdi-ka-pul, Hyderabad-500004 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, 2013 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 S Basu Thakur who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in the place of Smt. A Sailaja who retires by rotation and being eligible, offers herself for re-appointment.
04. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

05. To consider and if thought fit, to pass with or without any modification(s) the following resolution, as an Ordinary Resolution.
"RESOLVED THAT subject to the provisions of Sections 198, 269, 387, 388, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 Sri N Ravi Kumar be and is hereby appointed as the Manager of the Company, for a period of two years with effect from 30.05.2013, upon the terms and conditions set out below and as approved by the Board of Directors of the Company.

SALARY:

Rs.17,000/- (Rupees Seventeen Thousand only) per month.

PERQUISITES:

- i. Rent Free Residential Accommodation or House Rent Allowance, not exceeding Rs.9,000/-per month. Expenditure on Gas, Electricity, Water and Furnishings will be borne by the Company and the same will be valued as per the Income Tax Rules, 1962, however, subject to a ceiling of 10% of the salary.
 - ii. Reimbursement of Medical expenditure for self and his family subject to a ceiling of one month's salary per annum.
 - iii. Leave Travel Concession for self and his family once in a year in accordance with the rules of the Company.
 - iv. Personal Accident Insurance and/or such other Medical/Healthcare Insurance(s) at a premium not exceeding Rs.8,000/- per annum.
 - v. Company's contribution to the PF, and Superannuation Fund, if any, will be allowed as per the Rules of the Company and to the extent not taxable under the Income Tax Act/Rules.
 - vi. Gratuity as per the Rules of the Company not exceeding half a month salary for each completed year of service.
 - vii. Reimbursement of Fuel, Maintenance and other expenses including driver's for the use of Car for official purposes.
 - viii. Reimbursement of Entertainment expenses actually and properly incurred for the purpose of the Business of the Company.
 - ix. Reimbursement of expenses incurred on account of Telephone facilities at residence and Mobile for official purpose.
 - x. Encashment of leave at the end of the year as per the leave rules of the Company.
06. To Consider and if thought fit, to pass with or without modifications (s) the following resolution as an ordinary resolution.

"RESOLVED THAT, pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956 and other applicable provisions if any of companies Act, 1956 consent of the Members be and is hereby accorded for lease out all or any of the Company's Diagnostic Centers or managing the business of the Diagnostic Centers of the Company depending on the requirements and advantages of each Centre situated at different locations at such terms and conditions as the Board may think fit in the best interest of the company.

RESOLVED Further that the Board of Directors of the Company be and is hereby authorised to do all acts, execute lease deeds or Business Management agreements and things as may be necessary for giving effect to the above resolution".

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 Tuesday the 24th September, 2013 to Wednesday the 25th September, 2013 (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.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO.05

Sri N Ravi Kumar, an MBA(Finance)with adequate experience, was appointed as Manager of the Company in compliance of Section 269(1) of the Companies Act, 1956 w.e.f 30.05.2011 for a period of two years. The Board of Directors vide a resolution, has renewed his appointment and reappointed him as Manager of the Company for further period of Two Years w.e.f. 30.05.2013. As per the provisions of Companies Act, 1956, his appointment as Manager and the payment of remuneration, require the approval of members. Hence, the Board of Directors recommends resolution No. 05 for your approval.

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

ITEM NO. 06

The Company has been in the business of healthcare for more than 25 years and established a good brand image. However in the present market conditions where new establishments are entering into this business in a big way and the competition is severe, it is essential to improvise the strategies. The Company feels it is time to examine various opportunities in line with its objective of increasing the turnover and improve the operational margins and thereby retain its edge in this competitive field. Therefore options are being explored to enter into either lease or business management contracts with the interested parties who can provide the technical and strategic inputs for one or more of the existing business units of the Company subject to the suitable terms which are in the best interest of the company. Hence, the Board of Directors recommends resolution No. 06 for your approval.

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

By order of the Board

Place : Hyderabad
Date : 14th August, 2013

A RAGHAVA REDDY
Chairman



DIRECTORS' REPORT

To
The Members of
Medinova Diagnostic Services Ltd,

Your Directors have pleasure in presenting the Twentieth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2013 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	2012-2013	2011-2012
Total Income	1255.21	1306.05
Total Expenditure	1203.08	1257.68
Interest	7.38	8.97
Depreciation	59.37	58.21
Profit / (Loss) before Exceptional Items and Tax	(14.62)	(18.81)
Exceptional Items	12.11	8.48
Profit / (Loss) before Tax	(26.73)	(27.29)
Provision for Deferred Tax	(2.32)	(0.97)
Profit / (Loss) after Tax	(24.41)	(26.32)

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 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;
- 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, 2013 on a 'going concern' basis.

OPERATIONS:

During the year the total turnover was Rs. 1255.21 lacs and Net loss after taxes was Rs. 24.41 lacs. Despite stiff Competition in the Diagnostic market with new entrants each year in this field, we could manage to keep our business in goodstead. However, effective steps were initiated to reduce the expenditure at all levels so as to minimise the losses.

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 S Basu Thakur and Smt. A Sailaja, 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 2012-13 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, 2013

A RAGHAVA REDDY
Chairman



ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview:

The Healthcare Industry in India has shown a massive spurt in healthcare spend and is expected to grow at a CAGR of 20% a year and at this rate by 2015, it is estimated to touch a figure of around Rs.50,000/- Crores approximately. Diagnostic Services market is relatively a smaller contributor in the whole Healthcare Industry. However, at present, chains of diagnostic centres are also witnessing significant growth opportunities. Actually, the diagnostic services market has gained momentum in the last 20 years and is significantly dependent on Physician referrals.

The Diagnostic Services sector is mostly attracting the private players and it needs a significant amount of capital from the investors.

In the present market scenario, high level of fragmentation is observed in this sector and the cut throat competition mandates that diagnostic chains offer a value proposition similar to the standalone centres.

As the growth opportunity exists in this sector, several private equity players are getting attracted and trying to play a significant role in various strategies of Indian diagnostic centres including organic and in-organic growth.

However, proper care should be taken to ensure ethical operation and faster growth should not be achieved at the cost of quality.

Company's Performance:

Many more Diagnostic Centres have come into existence during last few years. It is a big challenge to compete with the new entrants. Your company always takes up that challenge because it believes that competition can only make the services perfect.

The turnover during the year 2012-13 was Rs 1255.21 lakhs. The loss after tax was Rs. 24.41 lakhs during the year.

Risk Management:

Taking risk is the challenge. However, your company has gained so much experience in this field over the past so many years and with this gained expertise it is in a position to evaluate and analyse the risks from time to time. Corrective measures are also being taken wherever it is required.

Future Outlook:

Your Company is already having presence in different parts of the Country. With its varied experience in different locations, it can expand further with more and more outfits of various degrees. However, while doing so it will adhere to the 'Quality', which is of prime importance to your company.

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 2012-13, four meetings of the Board were held. The details of Board, Audit Committee and Shareholders/Investors Grievance Committee Meetings held during the year 2012-13 are given below:

	Date of the Meeting	Total Members	Total Members Attended
1. Board Meeting			
	15.05.2012	5	3
	14.08.2012	5	3
	08.11.2012	5	4
	13.02.2013	5	3
2. Audit Committee			
	15.05.2012	3	2
	14.08.2012	3	2
	08.11.2012	3	3
	13.02.2013	3	2
3. Shareholders / Investors Grievance Committee			
	30.04.2012, 15.06.2012, 31.08.2012}		
	20.11.2012, 30.11.2012, 21.01.2013}	2	2
	31.01.2013, 11.02.2013, 29.03.2013}		



The details of the attendance of each Director at the Board Meetings and the last AGM held during the year 2012-13 are given below:

Name of the Director	Attendance at Board Meeting	AGM Yes/No
Sri A Raghava Reddy	1	Yes
Sri P K Reddy	4	Yes
Sri S Basu Thakur	4	Yes
Sri D A Srinivas	Nil	No
Smt. A Sailaja	4	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 nine times during the year. There were no complaints outstanding as on 31.03.2013. 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
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
2011-2012	Hotel Green Park, Greenlands, Begumpet, Hyderabad	28th Sept., 2012	11.30 A.M

There was no special resolution put through postal ballot.

Disclosures:-

- 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.
- 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. However, the said suspension of the trading in the shares was lifted by the Bombay Stock Exchange Limited in November, 2012.

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 Twentieth Annual General Meeting will be held on Wednesday, the 25th September, 2013 at 11.30 a.m at The Central Court Hotel, Lakdi-ka-pul, Hyderabad.

Date of Book Closure:

The Company's Share Transfer Books will remain closed from Tuesday, the 24th September, 2013 to Wednesday, the 25th September, 2013 (both days inclusive) for purpose of Annual General Meeting for the Financial Year ended 31st March, 2013.

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.

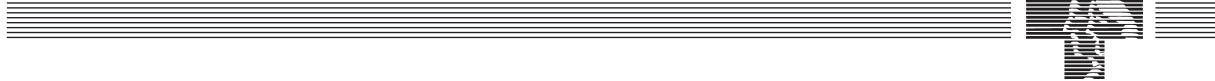
Market Price Data :

After the lifting of the suspension of the trading in the shares by the Bombay Stock Exchange Ltd, the shares are being traded since January, 2013. The Monthly high and low share quotation on Bombay Stock Exchange are as follows:

Month-wise	Month's high Price (Rs.)	Month's low Price (Rs.)
January, 2013	5.15	3.03
February, 2013	5.14	4.02
March, 2013	4.03	3.27

Distribution of Shareholdings as on 31.03.2013 (Including Dematerialized Shares):

No. of equity Shares held	% of share capital
upto 500	18.21
501 - 1000	2.61
1001 - 2000	1.63
2001 - 3000	0.56
3001 - 4000	0.39
4001 - 5000	0.40
5001 - 10000	1.45
10001 and above	74.75
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 Share 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, 2013 as envisaged in clause 49 of the Listing Agreement with Stock Exchange.

Place : Hyderabad
Date : 28th May, 2013

A RAGHAVA REDDY
Chairman

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, 2013, 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 till 27th November, 2012 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 : 28th May, 2013

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, 2013, 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, 2013;
- 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, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 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 : 28th May, 2013

A V REDDY
Partner
M.No. 23983



- 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.32,47,831/- 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 : 28th May, 2013

A V REDDY
Partner
M.No. 23983

**BALANCE SHEET AS AT MARCH 31, 2013**

Particulars	Note No.	As at 31st March 2013 (Rupees)	As at 31st March 2012 (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>(12,62,70,437)</u>	<u>(12,38,28,794)</u>
Sub-Total		<u>(3,17,02,037)</u>	<u>(2,92,60,394)</u>
2. Non-Current Liabilities			
a) Long Term Borrowings	4	16,27,77,917	16,06,56,290
b) Other Long Term Liabilities	5	3,41,450	4,14,474
c) Long Term Provisions	6	<u>31,31,654</u>	<u>30,97,842</u>
Sub-Total		<u>16,62,51,021</u>	<u>16,41,68,606</u>
3. Current Liabilities			
a) Short-Term Borrowings	7	2,70,314	3,83,715
b) Trade Payables	8	1,12,37,923	84,69,593
c) Other Current Liabilities	9	7,78,88,785	9,17,99,867
d) Short-Term Provisions	10	<u>3,46,034</u>	<u>3,42,091</u>
Sub-Total		<u>8,97,43,056</u>	<u>10,09,95,266</u>
TOTAL		<u>22,42,92,040</u>	<u>23,59,03,478</u>
II ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	11	5,55,90,020	6,10,08,897
ii) Capital Work-in-Progress		32,31,126	44,42,629
b) Deferred Tax Assets (Net)	12	4,45,109	2,13,295
c) Long Term Loans & Advances	13	12,02,43,684	12,02,12,167
d) Other Non-Current Assets	14	<u>7,77,538</u>	<u>7,77,538</u>
Sub-Total		<u>18,02,87,477</u>	<u>18,66,54,526</u>
2. Current Assets			
a) Inventories	15	36,77,648	58,45,258
b) Trade Receivables	16	1,85,47,223	2,03,84,216
c) Cash and Cash equivalents	17	6,56,292	10,38,460
d) Short Term Loans and Advances	18	<u>2,11,23,400</u>	<u>2,19,81,018</u>
Sub-Total		<u>4,40,04,563</u>	<u>4,92,48,952</u>
TOTAL		<u>22,42,92,040</u>	<u>23,59,03,478</u>
Significant Accounting Policies	1		

As per our report of even date

for and on behalf of the Board

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

A RAGHAVA REDDY
Chairman

S BASU THAKUR
Director

A V REDDY
Partner
M.No. 23983

Place : Hyderabad
Date : 28th May, 2013

N RAVIKUMAR
Chief Operating Officer



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Note No.	For the Year ended 31st March 2013 (Rupees)	For the Year ended 31st March 2012 (Rupees)
I Revenue from Operations	19	12,46,46,108	12,96,12,258
II Other Income	20	8,74,919	9,93,334
III Total Revenue (I+II)		<u>12,55,21,027</u>	<u>13,06,05,592</u>
IV Expenses:			
Cost of Materials Consumed	21	1,52,27,687	1,59,68,188
Employee Benefits Expense	22	2,24,67,637	2,32,85,889
Finance Costs	23	7,37,868	8,97,564
Depreciation	11	59,37,120	58,21,571
Other Expenses	24	8,26,12,669	8,65,13,945
Total Expenses		<u>12,69,82,981</u>	<u>13,24,87,157</u>
V Profit / (Loss) Before Exceptional Items and Tax (III-IV)		(14,61,954)	(18,81,565)
VI Exceptional Items	25	12,11,503	8,47,816
VII Profit / (Loss) Before Tax (V-VI)		(26,73,457)	(27,29,381)
VIII Tax Expenses:			
Deferred Tax	12	(2,31,814)	(97,368)
IX Profit / (Loss) for the Year (VII-VIII)		<u>(24,41,643)</u>	<u>(26,32,013)</u>
X Earnings per Equity Share:			
Basic & Diluted		(0.26)	(0.28)
Significant Accounting Policies	1		

As per our report of even date

for and on behalf of the Board

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

A RAGHAVA REDDY
Chairman

S BASU THAKUR
Director

A V REDDY
Partner
M.No. 23983

N RAVIKUMAR
Chief Operating Officer

Place : Hyderabad
Date : 28th May, 2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended 31.03.2013 (Rupees in lakhs)	For the year ended 31.03.2012 (Rupees in lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	(26.73)	(27.29)
Adjustments for:		
Depreciation	59.37	58.21
Interest Income	(0.15)	(0.19)
Interest Expenditure	7.38	8.97
Loss on sale of fixed assets	0.00	8.48
Operating Profit before Working Capital Changes	39.87	48.18
Adjustment for:		
Inventories	21.68	22.53
Trade Receivables	18.37	31.25
Short Term Loans & Advances	8.58	(67.58)
Other Long Term Liabilities	(0.73)	2.08
Trade Payables	27.68	18.70
Other Current Liabilities	(139.11)	3.32
Short Term Provisions	0.04	(15.35)
Long Term Provisions	0.34	0.19
Cash generated from Operations	(23.28)	43.32
Taxes Paid	0.00	0.00
Net Cash from Operating Activities	(23.28)	43.32
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	(5.18)	(103.21)
Sale of fixed assets	0.00	6.70
Decrease in Capital Work-In-Progress	12.11	7.12
Interest Received	0.15	0.19
Net Cash from in Investing Activities	7.08	(89.20)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Long Term borrowings	21.21	10.26
Decrease in Short Term borrowings	(1.13)	(0.19)
(Increase) / Decrease in Long Term Loans & Advances	(0.32)	50.09
Interest paid	(7.38)	(8.97)
Net cash flow from financing activities	12.38	51.19
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(3.82)	5.31
Cash and Cash equivalents as at the beginning of the year	10.38	5.07
Cash and Cash equivalents as at the end of the year	6.56	10.38

As per our report of even date

for and on behalf of the Board

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

A RAGHAVA REDDY
Chairman

S BASU THAKUR
Director

A V REDDY
Partner
M.No. 23983

N RAVIKUMAR
Chief Operating Officer

Place : Hyderabad
Date : 28th May, 2013



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.

1.2 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.

1.3 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.

1.4 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.

1.5 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.

1.6 INVENTORIES

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

1.7 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.

1.8 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.

1.9 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 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
2	SHARE CAPITAL		
	Authorised:		
	1,00,00,000 Equity Shares of Rs.10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
	Issued, Subscribed and Paidup:		
	94,81,640 Equity Shares of Rs.10/- each	9,48,16,400	9,48,16,400
	Subscribed and called up in full		
	Less: Allotment Money Arrears	<u>2,48,000</u>	<u>2,48,000</u>
	Total	<u>9,45,68,400</u>	<u>9,45,68,400</u>
	a) Reconciliation of number of shares:		
	Shares outstanding as at 1st April,2012/1st April,2011	94,81,640	94,81,640
	Shares outstanding as at 1st April,2013/1st April,2012	94,81,640	94,81,640
	b) List of shareholders 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
	- 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	(13,00,74,341)	(12,74,42,328)
	Add: Profit / (Loss) for the year	<u>(24,41,643)</u>	<u>(26,32,013)</u>
	Closing Balance	(13,25,15,984)	(13,00,74,341)
	Total	<u>(12,62,70,437)</u>	<u>(12,38,28,794)</u>
4	LONG-TERM BORROWINGS		
	Loans & Advances from Companies (Unsecured)	<u>16,27,77,917</u>	<u>16,06,56,290</u>
	Total	<u>16,27,77,917</u>	<u>16,06,56,290</u>

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



Note No.	Particulars	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
5	OTHER LONG-TERM LIABILITIES (Unsecured)		
	Member's Subscription Under Gold Card Plus Scheme	3,41,450	4,14,474
	Total	3,41,450	4,14,474
6	LONG-TERM PROVISIONS		
	Provision for Gratuity	31,31,654	30,97,842
	Total	31,31,654	30,97,842
7	SHORT-TERM BORROWINGS		
	Secured Loan repayable on Demand to Bank - Working Capital Loan	2,70,314	3,83,715
	Total	2,70,314	3,83,715
	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	1,12,37,923	84,69,593
	Total	1,12,37,923	84,69,593
9	OTHER CURRENT LIABILITIES		
	Membership Deposits / Subscriptions	5,61,96,118	7,06,39,350
	Statutory Dues	55,53,589	50,12,788
	Outstanding Expenses	1,36,45,230	1,19,55,564
	Other Liabilities	24,93,848	41,92,165
	Total	7,78,88,785	9,17,99,867
10	SHORT-TERM PROVISIONS		
	Provision for Gratuity	3,46,034	3,42,091
	Total	3,46,034	3,42,091

Note - 11
FIXED ASSETS
Tangible Assets:

(in Rupees)

Sl. No	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 31-03-2012	Additions	As at 31-03-2013	As at 31-03-2012	For the Year	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
1.	Building including Civil Works on Lease Buildings	2,23,35,303	0	2,23,35,303	53,81,437	3,70,240	57,51,677	1,65,83,626	1,69,53,866
2.	Plant & Machinery	15,62,03,280	24,450	15,62,27,730	12,47,79,153	40,72,497	12,88,51,650	2,73,76,080	3,14,24,127
3.	Office Equipment	54,30,811	4,59,793	58,90,604	27,21,762	2,64,939	29,86,701	29,03,903	27,09,049
4.	Furniture & Fixtures	72,26,878	0	72,26,878	35,03,976	2,90,919	37,94,895	34,31,983	37,22,902
5.	Vehicles	8,44,825	0	8,44,825	6,27,462	38,177	6,65,639	1,79,186	2,17,363
6.	Library	70,250	0	70,250	62,795	3,337	66,132	4,118	7,455
7.	Electrical Installation	1,88,64,115	34,000	1,88,98,115	1,28,89,980	8,97,011	1,37,86,991	51,11,124	59,74,135
	TOTAL	21,09,75,462	5,18,243	21,14,93,705	14,99,66,565	59,37,120	15,59,03,685	5,55,90,020	6,10,08,897





Note No.	Particulars	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
12	DEFERRED TAX ASSETS (NET)		
	Deferred Tax Asset:		
	Losses	51,19,295	57,14,915
	Disallowances under the income tax Act,1961	34,32,792	29,78,820
		<u>85,52,087</u>	<u>86,93,735</u>
	Less : Deferred Tax Liability Related to Fixed assets	81,06,978	84,80,440
	Total	<u>4,45,109</u>	<u>2,13,295</u>
13	LONG-TERM LOANS & ADVANCES		
	Loans & Advances to Related Parties (Unsecured)#	12,02,43,684	12,02,12,167
	Total	<u>12,02,43,684</u>	<u>12,02,12,167</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	2,10,558	2,21,576
	Chemicals	7,59,693	15,92,594
	Medicines	2,79,524	6,83,034
	Consumables	6,22,336	7,78,714
	Stores & Spares	9,85,692	16,12,819
	Stationery	5,39,385	6,83,945
	Others	2,80,460	2,72,576
	Total	<u>36,77,648</u>	<u>58,45,258</u>
16	TRADE RECEIVABLES		
	Unsecured, Considered Good	1,85,47,223	2,03,84,216
	Total	<u>1,85,47,223</u>	<u>2,03,84,216</u>
	Trade Receivables of Rs.88,09,931/- (Previous Year: Rs.93,76,739/-) 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	4,99,148	7,97,721
	Cash on Hand	1,57,144	2,40,739
	Total	<u>6,56,292</u>	<u>10,38,460</u>
18	SHORT-TERM LOANS & ADVANCES (Unsecured, Considered Good)		
	Loans & Advances to Related Parties#	24,53,953	50,08,840
	Deposits with/Receivables from Statutory/Govt. Authorities	1,11,81,691	90,60,448
	Other Deposits	37,14,184	39,45,784
	Prepaid Expenses	0	35,626
	Rent Deposit	35,52,913	35,52,913
	Advance for Supplies & Expenses	2,20,659	3,77,407
	Total	<u>2,11,23,400</u>	<u>2,19,81,018</u>
	# Refer to Note Nos. 29 & 30.		



Note No.	Particulars	For the Year ended 31.03.2013 (Rupees)	For the Year ended 31.03.2012 (Rupees)
19	REVENUE FROM OPERATIONS		
	Diagnostic Centre Receipts	12,42,32,168	12,89,77,918
	Franchise Royalty & Service Charges	4,13,940	4,13,940
	Training Fee Receipts	0	2,20,400
	Total	12,46,46,108	12,96,12,258
20	OTHER INCOME		
	Service Charges	2,84,170	4,39,060
	Interest Income	15,139	18,724
	Balances in Parties Accounts Written Back / Written Off (Net)	3,46,950	0
	Miscellaneous Income	2,28,660	5,35,550
	Total	8,74,919	9,93,334
21	COST OF MATERIALS CONSUMED		
	Films	18,48,314	25,86,904
	Chemicals	98,33,416	89,94,691
	Medicines	5,89,768	12,18,611
	Consumables	23,84,426	25,74,002
	Others	5,71,763	5,93,980
	Total	1,52,27,687	1,59,68,188
22	EMPLOYEE BENEFIT EXPENSE		
	Salaries, Bonus and other Allowances	1,90,21,963	2,06,35,827
	Contribution to Provident and other Funds	15,69,138	16,86,907
	Gratuity	8,10,614	1,86,166
	Staff Welfare	10,65,922	7,76,989
	Total	2,24,67,637	2,32,85,889



Note No.	Particulars	For the Year ended 31.03.2013 (Rupees)	For the Year ended 31.03.2012 (Rupees)
23	FINANCE COSTS		
	Interest	3,76,279	5,06,070
	Bank Charges	3,61,589	3,91,494
	Total	7,37,868	8,97,564
24	OTHER EXPENSES		
	Electricity and Fuel Charges	59,64,157	56,12,191
	Repairs & Maintenance		
	- Plant & Machinery	32,40,755	51,00,001
	- Buildings	24,617	17,242
	Rent	89,60,789	88,38,283
	Rates and taxes	10,18,191	2,72,586
	Printing and Stationery	15,00,524	15,79,817
	Postage, Telephones & Trunk Calls	8,99,947	9,75,825
	Travelling and Conveyance	29,76,989	33,87,635
	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	4,500	7,000
	Insurance	27,550	34,385
	Books, Periodicals & Subscriptions	16,318	20,414
	Annual Listing Fees	31,239	28,679
	Commission to Collection Centres	28,99,846	25,32,515
	Professional Service Charges	71,72,026	85,36,223
	Lab Testing Fee	39,16,211	39,58,914
	Corporate & Gold Card Concessions and Discounts	1,98,49,890	2,06,53,455
	Development Expenses	1,20,43,806	1,23,83,262
	Other Expenses	1,19,31,314	1,24,41,518
	Total	8,26,12,669	8,65,13,945
25	EXCEPTIONAL ITEMS		
	Loss on sale of Fixed Assets	0	8,47,816
	Capital Work in Progress written off	12,11,503	0
	Total	12,11,503	8,47,816



26. Contingent Liabilities not provided for :	As at 31.03.2013	As at 31.03.2012
	(Rupees)	(Rupees)
Provident Fund interest demand	5,61,368	5,61,368
27. Managerial Remuneration:	2012-2013	2011-2012
	(Rupees)	(Rupees)
Sri. N. Ravi Kumar, Manager (Designated as Chief Operating Officer)	2,88,000	2,82,700
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		
	for the year	for the year
	ended 31.03.2013	ended 31.03.2012
	(Rupees)	(Rupees)
Receiving Services	23,370	85,911
Sharing of Expenses - Net :	25,00,000	20,00,000
Amount Received - Net :		
Amounts Outstanding	As at 31.03.2013	As at 31.03.2012
as at the Balance sheet date	(Rupees)	(Rupees)
- Call Deposit :	2,93,18,305	3,08,18,305
- Advances (including balance in current account) :	6,14,25,839	6,14,49,209
- Accrued Interest :	3,19,53,493	3,29,53,493
- Share Capital (credit) :	(2,75,02,200)	(2,75,02,200)
b) Key Management Personnel	for the year	for the year
	ended 31.03.2013	ended 31.03.2012
	(Rupees)	(Rupees)
N.Ravi Kumar, Manager (Designated as Chief Operating Officer)	2,88,000	2,82,700
Remuneration:		
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 of the Company are also Directors).	as at	at any time during
	31.03.2013	the year ended
		31.03.2013
	(Rs. in Lakhs)	(Rs. in Lakhs)
i) Call Deposits, Advances including balance in current account together with interest thereon.	1226.97	1253.87
ii) Investment in Company's shares by the associate Company (27,50,220 equity shares of Rs.10/- each)	275.02	275.02



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 2012-2013 Amount (Rs.)	for the year 2011-2012 Amount (Rs.)
Current Service Cost	1,88,435	1,96,327
Interest Cost on benefit obligation	2,75,195	3,96,441
Expected return on plan assets	Nil	Nil
Net Actuarial (gain) / loss recognized in the year	3,46,984	(4,06,602)
Past services cost	Nil	Nil
Net benefit expenses	8,10,614	1,86,166
Actual return on plan assets	NA	NA
b. Changes in present value of the defined benefit obligation:	As at 31.03.2013 Amount (Rs.)	As at 31.03.2012 Amount (Rs.)
Opening defined benefit obligation	34,39,934	49,55,508
Interest Cost	2,75,195	3,96,441
Current Services Cost	1,88,435	1,96,327
Benefits paid	(7,72,860)	(17,01,740)
Actuarial (gains) / losses on obligation	3,46,984	(4,06,602)
Closing defined benefit obligation	34,77,688	34,39,934
c. Actuarial Assumptions:		
Salary Rise	6%	6%
Discount Rate	8%	8%
Attrition Rate	10%	10%
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.

34. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the Current year's classification / disclosure.

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 RAGHAVA REDDY
Chairman

S BASU THAKUR
Director

A V REDDY
Partner
M.No. 23983

N RAVIKUMAR
Chief Operating Officer

Place : Hyderabad
Date : 28th May, 2013



Medinova Diagnostic Services Limited

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

TWENTIETH ANNUAL GENERAL MEETING ATTENDANCE SLIP

Folio No. :

Name :

Address :

Client ID :

D.P. ID :

I hereby record my presence at the TWENTIETH ANNUAL GENERAL MEETING of the Company being held at The Central Court Hotel, Lakdi-ka-pul, Hyderabad at 11.30 A.M, on Wednesday, the 25th September, 2013.

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.

TWENTIETH 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 Wednesday, the 25th September, 2013 or at any adjournment thereof.

Signed this _____ day of _____ 2013.

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.



Medinova

DIAGNOSTIC SERVICES LIMITED

The Manager
 Dept. of Corporate Services
 The Bombay Stock Exchange Ltd.
 1st Floor, Phiroze Jeejeeboy Towers
 Dalal Street, Mumbai - 400 001.


9th June, 2014

Kind Attn: Mr. Rakesh Parekh, Sp.Assistant, Listing Compliance.

Dear Sir,


Sub: Submission of Form 'A' as per Clause 31 (a) of the listing agreement.

We submit hereunder Form 'A' for the year ended 31st March, 2013:-

1.	Name of the Company	MEDINOVA DIAGNOSTIC SERVICES LTD.,
2.	Annual Financial Statements for the year ended	31st March, 2013
3.	Type of Audit Observation	(i) Relating to the irregularity in depositing the Provident Fund, Employees' State Insurance Contributions and Income Tax dues. (ii) Relating to dispute regarding the Interest on the Provident Fund pending with Employees Provident Fund Appellate Tribunal, New Delhi. (iii) Relating to the accumulated losses of the Company being more than 50% of the Net Worth.
4.	Frequency of Observation	(i) Against Audit observation Point No. (i) as referred above the same is being mentioned since the year 2004-05. (ii) Against Audit observation Point No. (ii) as referred above the same is being mentioned since the year 2005-06. (iii) Against Audit observation Point No. (iii) as referred above the same is being mentioned since the year 2003-04.
5.	To be signed by Chief Operating Officer	For MEDINOVA DIAGNOSTIC SERVICES LTD., 

Chief Operating Officer

Thanking you,
 Yours faithfully,
 for **Medinova Diagnostic Services Ltd.,**


N. Ravi Kumar
 Chief Operating Officer

REL NO. 231008753 2327464