

21st ANNUAL REPORT
2013 - 2014



Medinova
Diagnostic Services Limited

BOARD OF DIRECTORS

A Raghava Reddy
Chairman

P K Reddy
Director

S Basu Thakur
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, 'Anand Chambers'
Somajiguda, Hyderabad - 500 082
Ph: 040-23310066, Fax: 23327464
Email: medicorp@medinovaindia.com
Website : www.medinovaindia.com



ORDINARY BUSINESS:

- SPECIAL BUSINESS:

- 1



RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To approve Related Party Transactions:

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a SPECIAL RESOLUTION: “RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013, other applicable provisions, if any, of the Companies Act, 2013 and Clause - 49 of Listing Agreement, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to enter into following contracts/ arrangements/ transactions with Related Parties on Arm’s Length basis:

(Amount in Rs)

Name of the Company with whom transactions are being undertaken & Nature of relationship	Particulars of Transaction	Qty	Rate per Mt/KWH in Rs.	Total amount of Transactions proposed for the Financial Year ending March 31, 2015*	Name of the Director or Key Managerial personnel who is related	Whether transaction is done at Arms’ length (Yes/No)*
M/s. Vijaya Diagnostic Centre Pvt. Ltd., Promoter	Medical Diagnostic Services	Various Diagnostic Services	As per the terms of prevailing best practices	Rs. 1.00 Crore Per Year	Dr. Sura Surendranath Reddy and Mr. Sunil Chandra Kondapally	Yes

*(i) These are currently prevailing market rates used for determining the annual limit.

(ii) Actual rates at which the transactions will be done will be at prevailing market price and at Arms length from time to time.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to finalise the terms and conditions of the contract/ arrangements/ transactions and to execute such other documents, agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution.

10. To authorize investments by Company beyond the prescribed limits under Sec 186 of the Companies Act, 2013:

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board) notwithstanding that the aggregate loans, guarantees and securities to any bodies corporate and persons and investment in securities of any bodies corporate exceeds the limits specified under Section 186 of the Companies Act, 2013, read with the applicable rules, circulars or clarifications there under:

- To invest/acquire from time to time by way of subscription, purchase or otherwise, the securities of anybody corporate(s) whether in India or outside India, which may or may not be subsidiary of the Company; and/or
- To make/give from time to time any loan to any person or body corporate, whether in India or outside, which may or may not be subsidiary of the Company or to any persons; and/or
- To give from time to time any guarantee and/or provide any security to any person, body Corporate, Bank, Financial Institutions or any other Institution in India or outside India to secure any financial assistance of any nature availed or to be availed by any person or body Corporate whether in India or outside India which may or may not be subsidiary of the Company or any other Institution.

upto an amount, the aggregating of which should not exceed, at any given time Rs. 100 Crores.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby authorised to negotiate and decide, from time to time, terms and conditions, execute necessary documents, papers, agreements etc. for investments to be made, loans/guarantees to be given and securities to be provided to any person and / or anybody corporate, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that it may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Managing Director of the Company”

By order of the Board
For Medinova Diagnostic Services Limited

Date: 9th August, 2014
Place: Hyderabad

Raghava Reddy Adala
Chairman
DIN 01838089



NOTES:

- 1) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 2) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight (48) hours before the commencement of the Meeting.
- 3) Shareholders are requested to bring their copy of Annual Report to the Meeting. Any member desirous of having a copy of detailed accounts may apply to the Company and copies thereof will be available for reference at the venue of the Meeting.
- 4) Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on the 25th September, 2014 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
- 5) The Register of Members and Share Transfer Books will remain closed from Wednesday, the 24th September, 2014 to Thursday, the 25th September, 2014 (both days inclusive).
- 6) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 7) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
- 8) a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.
b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
- 9) Non-Resident Indian Members are requested to inform the Registrar and Share Transfer Agent, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 10) The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. XL Softech Systems Limited.

Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members' the facility to exercise their right to vote at the 21st AGM by electronic means and the business shall be transacted through e-voting services provided by Central Depository Services Limited. The e-voting facility will be available at the link www.evotingindia.com during the following voting period:

From 09.00 a.m. on 19th September, 2014 to 6.00 p.m. on 21st September, 2014.
- 11) E-voting shall not be allowed beyond 6 p.m on the 21st Sep, 2014. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company.
- 12) The Company has appointed M/s DVM Gopal & Associates, Practicing Company Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
- 13) The login ID and password for e-voting along with process, manner and instructions for e-voting is furnished in the annexure to the notice in page no. 7 for the members who have not registered their e-mail IDs with the Company / their respective Depository Participants. For the members who have registered their e-mail IDs with the Company / their respective Depository Participants, the login ID and password for e-voting along with process, manner and instructions are forwarded by e-mail."



ANNEXURE TO THE NOTICE OF THE ANNUAL GENERAL MEETING, AS PER SECTION 102 OF THE COMPANIES ACT, 2013

Item No's. 4 and 5:

In compliance of clause 49 of the listing agreement, a brief profile and other details of the Directors proposed to be appointed is given as under:

a. Brief Resume of Dr. Sura Surendranath Reddy

Dr. Sura Surendranath Reddy (DIN 00051770) is a M.D. (Radiology) from Osmania Medical College, Hyderabad. He is a Medical Doctor by profession and is a founder of M/s. Vijaya Diagnostic Centre Private Limited (VDCL). Dr S Surendranath Reddy has established Diagnostic Centre as the centre of excellence for diagnostic Medicare, offering the most state of the art technologies and ensuring reliable and accurate services, in a professionally managed environment. He has vast experience in providing comprehensive range of diagnostic services spanning Radiology & Imaging, Nuclear Medicine, Conventional & Specialty Lab Services and Diagnostic Cardiology. Over the past 28 years, his passion for quality and commitment to delivering the latest in technology to customers, have translated into a number of First initiatives in Diagnostic Services by him.

VDCL today has over 33 branches and caters to over 6000 patients every day.

He being the Promoter of M/s. Vijaya Diagnostic Centre Private Limited, it has proposed his candidature as Director of the Company. Other than the holding of Vijaya Diagnostic Centre Private Limited in the Company, he personally does not hold any shares in the Company as on March 31, 2014.

b. Brief Resume of Mr. Sunil Chandra Kondapally

Mr. Sunil Chandra Kondapally (DIN 01409332) is a B.Sc (Electrical Engineering) from Florida State University, USA. He is also Director of M/s. Vijaya Diagnostic Centre Private Limited and M/s. QPS Bioserve Clinical Services Private Limited. He has vast experience in medical filed. Engineer by Qualification he has been closely involved in the operations, strategy administration at Vijaya Diagnostic Centre Private Limited since 1998. Also founded a well recognized contract research pharmaceuticals company in 2004, which became a joint venture with QPS LLC, USA in 2011.

He being the Promoter of M/s. Vijaya Diagnostic Centre Private Limited, it has proposed his candidature as Director of the Company. Other than the holding of Vijaya Diagnostic Centre Private Limited in the Company, he personally does not hold any shares in the Company as on March 31, 2014.

Details of the Directors proposed to be appointed at the AGM Scheduled to be held on 25th September 2014, (Pursuant to Clause 49 (IV)(G)(i) of the Listing Agreement is given below:

Name of the Director	Dr Sura Surendranath Reddy	Mr. Sunil Chandra Kondapally
Qualification	M.D	B.Sc.
Expertise in specific functional areas	35 years	15 Years
Date of appointment on the Board of the Company	AGM Date	AGM Date
Details of Shares held in the Company as on 31.03.2014	NIL	NIL
List of Companies in which outside Directorships held as on 31.03.2014	12	6
Chairman / Member of the Committees of other Companies on which he is a Director as on 31.03.2014	Vijaya Diagnostic Centre Private Limited	NIL
Category	Promoter Director	Promoter Director
Relationship with other Directors	No relationship with the present Directors of the Company	No relationship with the present Directors of the Company

Other than the appointees, none of the Directors on the Board or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution.

Your Directors recommend the resolution for your approval.

Item No's. 6 and 7:

The Company pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointing Mr. Ponaka Krishna Reddy and Mrs. Sailaja Aluru as an Independent Director in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board has recommended the appointment of these directors as Independent Directors for a period of 5 years effective from the date of this AGM.



The aforementioned persons have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

A brief profile and other details of the Independent Directors proposed to be appointed is given as under:

Details of the Directors proposed to be appointed at the AGM Scheduled to be held on 25th September, 2014, (Pursuant to Clause 49 (IV)(G)(i) of the Listing Agreement is given below:

Name of the Director	Mr. Ponaka Krishna Reddy	Mrs. Sailaja Aluru
Qualification	B.A.	M.Com
Expertise in specific functional areas	Manufacturing	Finance
Date of appointment on the Board of the Company	30.06.1994	31.10.2005
Details of Shares held in the Company as on 31.03.2014	1000	15700
List of Companies in which outside Directorships held as on 31.03.2014	1	2
Chairman / Member of the Committees of other Companies on which he / she is a Director as on 31.03.2014	NIL	NIL
Category	Independent Director	Independent Director
Relationship with other Directors	NO	NO

None of the Directors on the Board or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution.

Your Directors recommend the resolution for your approval.

Item No. 8:

The Board of Directors of the Company (the 'Board'), subject to the approval of members, recommends the appointment of Mr. Sunil Chandra Kondapally as Managing Director, for a period of 5 (five) years with immediate effect, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the members' approval for the Appointment of Mr. Sunil Chandra Kondapally as Managing Director without any remuneration. However, the Board is authorised to pay remuneration and also vary the terms and conditions of his appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Sunil Chandra Kondapally (DIN 01409332), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

Except Dr. Sura Surendranath Reddy and Mr. Sunil Chandra Kondapally Directors and their relatives, no other Director on the Board or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution.

Your Directors recommend the resolution for your approval.

Item No. 9:

As per the provisions of Section 188 of the Companies Act, 2013, Rules framed there under and other applicable provisions if any, the Board of Directors of a Company cannot enter into transactions with Related Party(ies) for sale, purchase or supply of any goods or materials directly or through appointment of agents exceeding Twenty Five percent of the annual turnover of Audited Financial Statement of the preceding Financial year of the Company and selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents, leasing of property of any kind, availing or rendering of any services directly or through appointment of agents exceeding ten percent of the net worth of the Audited Financial Statement of the preceding Financial year of the Company; and further as per Clause 49 of Listing Agreement with Stock Exchanges, the Board of Directors cannot enter into transactions with Related Party(ies) individually or taken together with previous transactions during a financial year, exceeding five percent of the annual turnover or twenty percent of the net worth of the Company as per the last audited Financial Statements of the Company, whichever is higher, except with the prior approval of the Shareholders of the Company by a Special Resolution.



The details of the Related Party transactions proposed by the Company are mentioned below:

(Amount in Rs)

Name of the Company with whom transactions are being undertaken & Nature of relationship	Particulars of Transaction	Qty	Rate per Mt/KWH in Rs.	Total amount of Transactions proposed for the Financial Year ending March 31, 2015*	Name of the Director or Key Managerial personnel who is related	Whether transaction is done at Arms' length (Yes/No)*
M/s. Vijaya Diagnostic Centre Pvt. Ltd., Promoter	Medical Diagnostic Services	Various Diagnostic Services	As per the terms of prevailing best practices	Rs. 1.00 Crore Per Year	Dr. Sura Surendranath Reddy and Mr. Sunil Chandra Kondapally	Yes

*(i) These are currently prevailing market rates used for determining the annual limit.

(ii) Actual rates at which the transactions will be done will be at prevailing market price and at Arms length from time to time.

The Audit Committee of the Company at their meeting and the Board of Directors of the Company at their meeting held on August 9th, 2014 have approved the proposed Related Parties transactions.

Your Company is a Subsidiary Company of M/s. Vijaya Diagnostic Centre Private Limited, the Holding Company. Dr. Sura Surendranath Reddy and Mr. Sunil Chandra Kondapally, are interested in the above transaction, because they are common Directors in Holding and Subsidiary Company and further they are members/promoters of Holding Company.

The Resolution set out at item No. 11 of the notice is put forth for consideration of the members as a Special Resolution pursuant to Section 188 of the Companies Act, 2013, authorizing the Board of Directors for entering into transactions with Related Party (ies).

Except Dr. Sura Surendranath Reddy and Mr. Sunil Chandra Kondapally, Directors and their relatives, no other Director on the Board or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution.

Your Directors recommend the resolution for your approval.

Item No. 10:

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof, for making further investment, providing loans or give guarantee or provide security for an amount not exceeding Rs. 100 Crores.

The investment(s), loan(s), guarantee(s) and security (ies), as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under.

None of the Directors on the Board or the Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested financially or otherwise in the above Resolution.

Your Directors recommend the resolution for your approval.

By order of the Board
For Medinova Diagnostic Services Limited

Date: 9th August, 2014
Place: Hyderabad

Raghava Reddy Adala
Chairman
DIN 01838089



INSTRUCTIONS FOR EXERCISE OF VOTING RIGHTS BY ELECTRONIC MEANS

1. The voting period begins from 09.00 a.m. on 19th September, 2014 to 6.00 p.m. on 21st September, 2014. During this period shareholders of the Company to whom notice of the AGM have been dispatched electronically or physically by registered post or courier, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to register themselves as Corporates by logging on to www.evotingindia.com. A scanned copy of the Registration Form duly signed and seal affixed should be e-mailed to helpdesk.evoting@cdslindia.com. The login details will be sent by CDSL by reply mail. After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they can cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
3. The following are the instructions for participating in the e-voting on the resolutions contained in the notice of the Annual General Meeting. These apply to all the Members of the Company and who receive the notice either by e-mail or physical copy.

a. Log on to the e-voting website www.evotingindia.com during the voting period.

b. Click on "Shareholders" tab.

c. Select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

d. Enter your User ID as shown below:

Members holding shares in demat form with CDSL	Sixteen digits beneficiary ID
Members holding shares in demat form with NSDL	Eight character DP ID followed by eight digits Client ID
Members holding shares in Physical form	Folio No.

e. Enter the image verification as displayed and click on "Login"

f. Enter the Password:

- Members holding shares in Demat form and who have already exercised e-voting on an earlier occasion through www.evotingindia.com in respect of their holding in any other company shall use their existing password. If the password has been forgotten they will have enter the User ID and Image Verification Code and then click on "Forgot Password" to enter the details as prompted by the system for retrieving the password.
- Password entry for Members who are holding shares in demat form and are exercising e-voting for the first time and for Members holding shares in Physical form shall be as below:

PAN	10 digit PAN issued by the Income Tax Department, if the same has been registered with the DP or as the case may be with the Company. For Members who have not registered their PAN, the first two letters of their name followed by the eight digits Serial Number printed on the address slip shall be entered in the PAN Field.
Date of Birth	Date of Birth as registered with the DP or as the case may be with the Company in DD/MM/YYYY format
Dividend Bank Details	As registered with the DP or as the case may be with the Company.



If both the above details have not been registered with the DP or as the case may be with the Company, the demat account number or the Folio number is to be entered in this field.

- g. Click Submit for further processing. If the password entered is incorrect, system will not allow the login and you will have repeated the process under (e) above until the proper password is entered.
 - h. Members holding shares in physical form will be directed to the “Company Selection” menu.
 - i. Members holding shares in demat form and participating in e-voting through www.evotingindia.com for the first time will be required mandatorily to create their own password to proceed with the e-voting process. The new password shall be used by them for any future e-voting on CDSL Platform. After completion of the new password creation, they will be directed to the Company Selection Menu.
 - j. Click on the EVSN for Medinova Diagnostic Services Limited and you will be directed to the E- Voting Screen.
 - k. The Description of the Resolutions as set out in the Notice of the Meeting and the voting options “YES/No” will be displayed for each of the resolutions on this Screen for voting.
 - l. Click on the “Resolutions File Link” if you wish to view the full description of the resolutions.
 - m. Select the option YES or NO for each of the item as desired by you. The option YES Implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - n. After selection click on SUBMIT and a confirmation box will be displayed. If you wish to confirm and complete the voting press OK, else press CANCEL to change your vote.
 - o. Once you CONFIRM your vote on the resolution, you will not be allowed to modify your vote.
 - p. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
4. Voting through electronic means would be on the basis of proportion of shares held by the member viz., on “one-share one-vote” basis.
5. For any queries or issues regarding e-voting, please refer to the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com