

25th ANNUAL REPORT
2017 - 2018

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Dr. Sura Surendranath Reddy	- Chairman
Mr. Sunil Chandra Kondapally	- Managing Director
Mrs. Suprita Sura Reddy	- Non-Executive Director
Mr. K.V. Ravindra Reddy	- Independent Director
Mr. P. Kamalakar Rao	- Independent Director
Dr. G. Ramesh Ramayya	- Independent Director

COMMITTEES OF THE BOARD:

Audit Committee

Mr. P. Kamalakar Rao	- Chairman
Mr. K. V. Ravindra Reddy	- Member
Dr. Sura Surendranath Reddy	- Member

Stakeholders Relationship Committee

Dr. Sura Surendranath Reddy	- Chairman
Mr. K. V. Ravindra Reddy	- Member
Mr. P. Kamalakar Rao	- Member.

Nomination & Remuneration Committee

Mr. K.V. Ravindra Reddy	- Chairman
Mr. P. Kamalakar Rao	- Member
Dr. Sura Surendranath Reddy	- Member

Chief Financial Officer

- Mr. N. Ravi Kumar

Company Secretary

- Mrs. Y. K. Priyadarshini
(Till 30th June, 2018)

Statutory Auditors

- M/s. Ratnam Dhaveji & Co.,
501, Akash Ganga, 6-3-635 & 637,
Khairatabad, Hyderabad – 500004

Internal Auditor

- Mr. G S N Raju

Registrar and Share Transfer Agent:

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

Registered Office:

- 7-1-58/A/FF/8, Amrutha Business Complex,
Ameerpet, Hyderabad: 500016
Ph: 040 42604250
Email: medicorp@medinovaindia.com
Website: www.medinovaindia.com

Corporate Identification Number:

- **L85110TG1993PLC015481**

Bankers:

- HDFC Bank Limited
- Vijaya Bank
- UCO Bank

NOTICE

NOTICE is hereby given that the **25th Annual General Meeting** of Members of the Medinova Diagnostic Services Limited will be held on Friday, the 28th September, 2018 at 11.00 a.m. at Central Court Hotel, Lakdi-kapul, Hyderabad-500004, Telangana, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (both standalone & consolidated), the report of the board of directors and report of statutory auditors thereon for the financial year ended 31st march 2018.
2. To appoint a Director in place of Dr. Sura Surendranath Reddy (holding DIN 00108599), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Approval for 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 the provisions of LODR and Section 188 of the Companies Act, 2013 and Rules made there under (including any amendment, modification or re-enactment thereof), as amended from time to time and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board Directors of the Company (hereinafter referred to as “The Board” which term shall be deemed to include any committees thereof) to enter into contracts/arrangement/transactions with any of related party(ies) of the Company (entered/ to be entered individually with a related party or entered/ to be entered with all the related parties taken together with) during any given Financial Year on such terms and conditions as detailed below:

Name of the Related Party	Nature or Transaction	Value up to which the company can enter into contract /arrangement /transaction with related party(ies) in a financial year.
1. M/s. Vijaya Diagnostic Centre Private Limited 2. Medinova Millennium MRI Services LLP	<ul style="list-style-type: none"> • Availing or rendering of Medical Diagnostic Services, and Infrastructure Services • availing or rendering of any other services • sale, purchase or supply of any goods or materials; • selling or otherwise disposing of, or buying, property of any kind; • Any other related party transactions of what so ever nature. 	Up-to Rs. 5 Crores (Rupees Five Crore Only)

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds with regard to any transaction with the related party(ies) and execute such agreements, documents and writings and to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an ongoing basis as may be required in its absolute discretion for the purpose of giving effect to this resolution, in the best interest of the Company”.

**For and on behalf of the Board of
Medinova Diagnostic Services Limited**

Date: 14.08.2018
Place: Hyderabad

Dr. Sura Surendranath Reddy
Director
DIN: 00108599

Notes:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company.
2. The instrument of proxy in order to be effective should be deposited at the registered office of the company in a duly completed and signed form, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported duly certified copy of the board resolution/authority, as applicable, issued by the member organization.

Pursuant to the provisions of the Companies Act, 2013 and Rules made there under viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 percent of the total share capital of the company carrying voting rights.

i.e., a person if get appointed as proxy by a member who is holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights, shall not act as proxy to any other person.

3. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42(5) of the Listing Regulations, the Share Transfer Books and Register of Members of the Company will remain closed from Friday, 21st September, 2018 to Friday, the 28th September, 2018 (both days inclusive) for the purpose of the 25th annual general meeting of the company.
4. All communications in respect of the share transfers and change in their registered address may be communicated to our Registrar and Share Transfer Agent (RTA) at M/s. XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad- 500 034, Telangana. Members whose shareholdings are in dematerialized form are requested to notify changes if any, with respect to the address, email ids, etc. to the depository participant to update the same. Members, who are holding company's shares in physical form, please contact our RTA M/s. XL Softech Systems Limited to update your address, email-ids etc.
5. For the convenience of members and for proper conduct of the meeting, entry to the venue of the meeting will be regulated by attendance slip, which is enclosed with this notice. Member(s)/Proxy (ies) are requested to hand over the duly filled and signed attendance slip at the entrance for attending the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of their names will be entitled to vote.
7. Member who hold shares in physical form in multiple folios under same name or joint holding are requested to intimate the Registrar and Share Transfer Agents, M/s. XL Softech Systems Limited about these folios to enable consolidation of all such shareholding into one folio.
8. The company has designated exclusive email id: medicorp@medinovaindia.com to redress share holders' complaints/grievances.
9. Statement as required under Section 102 of the Companies Act, 2013, in respect of special business is enclosed to this notice.
10. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be appointed/re-appointed is given to the notice.
11. The annual report of the company circulated to the members of the company will be made available on the company's website: www.medinovaindia.com.
12. Members desirous of getting any information about the accounts and/ or operations of the Company are requested to write to the Company at least 7 (Seven) days before the date of the meeting to enable the company to provide the same.
13. All the documents referred to in this notice and explanatory statement will be available for inspection by the Members at the Registered Office of the Company between 11:00 a.m. IST and 1:00 p.m. IST on all working days from the date hereof up to the date of the meeting. The relevant documents referred to in the notice and explanatory statement will also be available for inspection by the members at the meeting.

14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
15. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
16. As Companies Act, 2013 also recognizes and provides for serving of documents to any member through electronic mode, an electronic copy of annual report which includes the notice of the annual general meeting will be sent to the members whose email ids are registered with the company/depository Participant unless such member requests for a physical copy of the same. For this purpose in terms of the circulars issued by the concerned authorities e-mail addresses available with the depositories i.e. CDSL/NSDL (as may be updated from time to time) will be considered as registered email-ids.
17. Printed copies of notice of annual general meeting and annual report for the year ended 31st March, 2018 would be dispatched to those members, whose depository participants account do not contain details of their email- address.
18. Members holding shares in electronic mode are requested to ensure and keep their email addresses are updated with the depository participants to support the green Initiative.
19. Members are requested to kindly bring their copies of the annual report to the Meeting. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting.
20. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the meeting a member would be entitled to inspect the proxies lodged with the company between 9.00 a.m. to 6.00 p.m. IST at the registered office of the company, provided that a requisition for the same from a member is received in writing not less than 3 days before the commencement of the meeting.

VOTING THROUGH ELECTRONIC MEANS:

1. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide members the facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided through National Securities Depository Limited (NSDL) e-voting platform and the items of business as detailed in this notice may be transacted through remote e-voting.
2. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date of September 21, 2018 only shall be entitled to exercise the voting right (either through remote-voting or at poll AGM).
3. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
4. It may be noted that availing the remote E-voting facility is optional. The ballot shall also be made available at the annual general meeting. The members attending annual general meeting but have not cast their vote by Remote E-voting may exercise their right at the meeting. The members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
5. **The instructions for remote e-voting are as under:**
 - a. Members whose shareholding is in the dematerialised form and whose email addresses are registered with the Company/Depository Participant(s) will receive an email from NSDL informing the User-ID and Password/PIN. Once the Member(s) receive the email, he or she will need to go through the following steps to complete the e-voting process:
 - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - c. Click on Shareholder – Login.
 - d. Enter the User ID and password/PIN as initial password noted in step (1) above. Click Login.

- e. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on remote e-voting: **Active Voting Cycles.**
- g. Select “EVEN” (Remote E Voting Event Number) of **Medinova Diagnostic Services Limited.**
- h. Now you are ready for remote e-voting as **Cast Vote Page** opens.
- i. Cast your vote by selecting appropriate option and click on “**Submit**” and also “**Confirm**” when prompted.
- j. Upon confirmation, the message “**Vote cast successfully**” will be displayed.
- k. Once you have successfully voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy(PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail venky@dvmgopalandassociates.in with a copy marked to evoting@nsdl.co.in
- m. For Members holding shares in dematerialised form whose email IDs are not registered with the Company/Depository Participants, Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the EVEN Number, User Id and Password will be provided by RTA at the bottom of the address slip pasted on the Annual Report.

Shareholder may utilise the e-voting facility by reading and following the procedural instructions listed under point nos. (b) To (j) above.
- n. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or may contact on the NSDL Toll Free No. 1800-222-990 or may contact National Securities Depository Ltd., Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone nos. +91-22-2499 4600/+91-22-2499 4360. Alternatively, Members may also write to designated email id of the company @ medicorp@medinovaindia.com.

OTHER INSTRUCTION FOR E-VOTING

- o. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- p. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.

Note: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.
- q. In case Members are holding shares in Demat mode, USER – ID is the combination of (DPID + Client ID).
- r. In case Members are holding shares in physical mode, USER – ID is the combination of (EVEN + Folio no.)
- s. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- t. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

6. E-VOTING PERIOD

The voting period begins on 25-09-2018 (9.00 AM) and ends on 27-09-2018 (5.00 PM). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on 21-09-2018 (the cut-off date) may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 21-09-2018.

Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 21-09-2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

7. THE CONTACT PERSON DETAILS

Mr. Ravi Kumar
Chief Financial Officer
Medinova Diagnostic Services Limited
7-1-58/A/FF/8, Amrutha Business Complex,
Ameerpet, Hyderabad - 500 016
Ph: 040- 42604250; Email: medicorp@medinovaindia.com

8. SCRUTINIZER

M/s. DVM & Associates LLP , Practicing Company Secretaries has been appointed as Scrutinizer for 25th Annual General Meeting of the Company to scrutinize the e-voting process and as well as poll at AGM in a fair and transparent Manner.

9. POLL AT AGM

The Chairman with the help of scrutinizer will allow for voting at the Annual General Meeting on the all resolutions set forth in the notice by use of Ballot or polling paper or by using an electronic voting system

10. DECLARATION OF RESULTS

The Scrutinizer after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make within 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a Director authorised by him in writing, who shall countersign the same. The Chairman or the authorised Director shall declare the result of the voting forthwith.

The Results declared along with the Scrutinizer's Report shall be uploaded on the Company's website www.medinovaindia.com as well as on the website of NSDL after the same is declared by the Chairman/authorised person. The Results shall also be simultaneously forwarded to the stock exchanges.

**For and on behalf of the Board of
Medinova Diagnostic Services Limited**

**Date: 14.08.2018
Place: Hyderabad**

**Dr. Sura Surendranath Reddy
Director
DIN: 00108599**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No 3 of the Notice:

Pursuant to provisions of LODR and Section 188 of the Companies Act, 2013 ("the Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company is required to obtain consent of the Board and prior approval of the members by resolution for certain Related Party Transactions which exceed such sum as is specified in the rules. The aforesaid provisions are not applicable in respect transactions entered into by the Company in the ordinary course of business and on an arm's length basis.

However, as per the policy adopted by the company on related party transactions and as a measure of transparency, the company every year is obtaining approval of shareholders for the related party transactions to ensure that all the related party transactions entered by the company at any given point of time are according to the prior approval of the shareholders.

The transaction was approved by the Board at their meeting held on 14.08.2018 and also by the Audit committee at their meeting on 14.08.2018.

Name of the Related Party with whom transaction is being undertaken and Nature of relationship	Nature or Transaction	Rate in Rs.	Total amount of transaction proposed	Name of director or Key managerial personnel who is related	Whether the transaction is in ordinary course of business and at Arm's length basis
<p>1. M/s. Vijaya Diagnostic Centre Private Limited</p> <p>Mr. Sunil Chandra Kondapally, Dr. Sura Surendranath Reddy, Ms. Suprita Sura Reddy Directors, of the Company are Directors of Related Party</p> <p>2. Medinova Millennium MRI Services LLP</p> <p>Mr. Sunil Chandra Kondapally, Director, of the Company is Partner of the Related Party</p>	<p>•Availing or rendering of Medical Diagnostic Services, and Infrastructure Services</p> <p>•availing or rendering of any other services</p> <p>•sale, purchase or supply of any goods or materials;</p> <p>•selling or otherwise disposing of, or buying, property of any kind;</p> <p>•Any other related party transactions of what so ever nature</p>	As per the terms of best prevailing practices	Up-to Rs. 5 Crores (Rupees Five Crore Only)	<p>Mr. Sunil Chandra Kondapally , Dr. Sura Surendranath Reddy, Ms. Suprita Sura Reddy Directors, of the Company are Directors of Related Party</p> <p>Mr. Sunil Chandra Kondapally , Director, of the Company is Partner of the Related Party</p>	yes

In view the above, it is proposed to seek approval of the members of the Company through **Special Resolution** for the above transactions and the related parties are abstained from voting on the resolution as set out at Item No. 3.

The details of equity shares held by the directors in M/s Vijaya Diagnostic center Pvt ltd are given hereunder.

<u>Name of the Director</u>	<u>No of equity shares held</u>	<u>% of shareholding</u>
Dr Sura Surendranath Reddy	2681602	59.21
Mr Sunil Chandra Kondapally	30416	0.67
Mrs. Suprita Sura Reddy	2525	0.06

None of the Directors, other than those mentioned hereinabove, and Key Managerial Personnel or their relative(s) is/are directly or indirectly concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

**For and on behalf of Board of
Medinova Diagnostic Services Limited**

Date: 14.08.2018
Place: Hyderabad

Dr. Sura Surendranath Reddy
Director
DIN: 00108599

Directors' Profile

Disclosure relating to Director pursuant to Regulation 36(3) of the Listing Regulations and Secretarial Standards on General Meetings issued by ICSI :-

1	Name of the Director	Dr. Sura Surendranath Reddy
2	Date of Birth	29.10.1948
3	Date of Appointment	13.08.2015
4	Expertise in specific Functional Areas	A doctor by profession and has experience in providing comprehensive range of diagnostic services spanning radiology and imaging ,nuclear medicine, conventional and speciality lab services through the companies established by him.
5	Qualification	MD (Radiology)
6	No. of shares held	Nil
7	No of Directorships held in other companies (other than this company)	1. Kshetra Agritech Private Limited 2. Summit Nutraceuticals Private Limited 3. Trikona Pharmaceuticals Private Limited 4. Namrata Diagnostic Centre Private Limited 5. Vijaya Hospitals Pvt Ltd 6. Bhadrakali Medical Center Private Limited 7. Vijaya Diagnostic Centre (Mancheria) Private Limited 8. Doctorslab Medical Services Private Limited 9. Vijaya Diagnostic Centre Private Limited
8	Positions held in Mandatory Committees	Member in Audit Committee Member in Stakeholders Relationship Committee Member in Nomination & Remuneration Committee
9	Relations Ship with other Directors	Related to Mrs. Suprita Sura Reddy and Mr. Sunil Chandra Kondapally

DIRECTORS' REPORT

The Members,
Medinova Diagnostic Services Limited (MDSL)

Your Directors are pleased to submit the 25th Annual Report of your Company together with the audited financial statements for the financial year ended March 31, 2018 and report of the Statutory Auditors thereon.

FINANCIAL RESULTS:

A statement of the financial and operational results of your Company for the year under review is furnished hereunder:

(Rupees in Lakhs)		
Particulars	2017-18	2016-17
Total Income	675.86	622.13
Total Expenditure	702.40	666.01
Interest	47.92	61.78
Depreciation	86.47	124.90
Profit / (Loss) before Exceptional Items and Tax	(160.93)	(230.56)
Exceptional Items	162.57	162.57
Provision for Tax:		
Current Tax	0.00	0.00
Deferred Tax	(4.92)	(11.98)
Taxes of earlier years	3.72	1.86
Profit / (Loss) after Tax	2.84	(57.87)
Other Comprehensive Income	(18.07)	(3.68)
Total comprehensive Income	(15.23)	(61.55)

REVIEW OF OPERATIONS:

During the year the total turnover was Rs.675.86 lacs and the total comprehensive income was (Rs. 15.23 lacs). Expenditure for most of the heads were kept under control. Your Company with its continued efforts in terms of upgrading the equipment's and varied marketing strategies at Kolkata, has recorded revenue growth of 26.81% at Kolkata center during the current financial year over the previous financial year.

In view of the loss incurred for the financial year ended 31st March, 2018, no amount is being Proposed to be transferred to the reserves for the said year.

DIVIDEND:

In view of the loss incurred by the Company for the year under review, your Board of Directors do not recommend any dividend.

SUBSIDIARIES

Your Company does not have any subsidiary companies. However, as per explanation given to Section 2(87) of Companies Act, 2013 which defines Subsidiary Company, the Medinova Millennium MRI Services LLP is a subsidiary being a body corporate. Statement containing salient features of the financial statements of subsidiaries as on March 31, 2018 is given in Form AOC-1 and forms part of this board report as **Annexure –I** and also mentioned in notes to financial account wherever needed.

DIRECTORS

In accordance with Section 152 of Companies Act, 2013, Dr. Sura Surendranath Reddy, retires by rotation in the ensuing Annual General Meeting to be held on 28th September, 2018 and being eligible offered himself for re-appointment. The Board recommends his re-appointment.

Further Mr. M Ramana Reddy, Company Secretary of the Company resigned w.e.f 06th April, 2017 and Ms. Y. K. Priyadarshini was appointed as Company Secretary of the Company w.e.f 13th May, 2017. However, Ms. Y. K. Priyadarshini resigned w.e.f 30.06.2018.

Further during the financial year under review, there is no change in Directors or KMPs of the Company other than stated above.