

**16<sup>th</sup>** ANNUAL REPORT  
2008 - 2009



**Medinova**  
Diagnostic Services Limited

**Board of Directors**

A Raghava Reddy - Chairman

P K Reddy

S Basu Thakur

D A Srinivas

A Sailaja

**Chief Operating Officer**

N Ravi Kumar

**Auditors**


M/s. J B Reddy & Co.,

Chartered Accountants

**Registered Office**  
6-3-652, "Kautilya"  
Somajiguda, Hyderabad - 500 082.

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Medinova Diagnostic Services Limited will be held on Tuesday 29th September, 2009 at 11.30 A.M at Hotel Green Park, Greenlands, Begumpet, Hyderabad - 500 016 to transact the following business:

### ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2009 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 the following resolution, with or without any modification(s) 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 30.05.2009, upon the terms and conditions set out below and as approved by the Board of Directors of the Company.

### SALARY:

Rs. 13,500/- (Rupees Thirteen Thousand Five Hundred only) per month

### PERQUISITES:

- i. Rent Free Residential Accommodation or House Rent Allowance, not exceeding Rs.6,500/-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.6,000/- 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 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."

### 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 Saturday the 26th September, 2009 to Tuesday the 29th September, 2009 (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 30.05.2007 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. 30.05.2009. As per the provisions of Companies Act, 1956, his appointment as Manager and the payment of remuneration, require the approval of members. Hence, the resolution.

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

By order of the Board

Place : Hyderabad  
Date : 30th July, 2009

A. Raghava Reddy  
Chairman



## DIRECTORS' REPORT

To

The Members of  
Medinova Diagnostic Services Ltd.

Your Directors have pleasure in presenting the Sixteenth Annual Report of your Company together with the audited accounts for the period ended 31st March 2009 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	2008-2009	2007-2008
Total Income	1240.50	1336.88
Total Expenditure	1198.28	1213.38
Interest	30.19	29.71
Depreciation	55.51	60.20
Profit / (Loss) before Extraordinary/ Prior period adjustments	(43.48)	33.59
Prior year adjustments/ Extraordinary items	1.09	3.59
Profit / (Loss) before Tax:	(44.57)	30.00
Less: Provision for Current Taxes:		
Income Tax	0.00	3.72
Fringe Benefit Tax	2.24	2.19
MAT Credit	0.00	(3.72)
Profit / (Loss) before Deferred Tax	(46.81)	27.81
Provision for Deferred Tax	26.07	138.34
Profit / (Loss) after Tax	( 72.88)	(110.53)

### DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors hereby confirm that

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the accounts for the financial year ended 31st March 2009 on a 'going concern' basis.

### OPERATIONS:

During the year 2008-09 the total Business Income was Rs.1240.50 lacs and a net loss (before prior year's adjustments and tax) of Rs.43.48 lacs was incurred. The total revenue came down by Rs.96.38 lacs in the year 2008-09 and the decrease is mainly on account of less corporate business which had been impacted due to recession in the market. Further, the entire operations of the Pune Center were shifted to new premises. However, it is felt that the scenario will change soon. To upgrade the centers and to start the new center, some equipment have been purchased namely Ultrasound System, Digital Color Doppler and X-ray.

### 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. The Committee met

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five times during the financial year 2008-09 and reviewed the financial results and statements, internal control procedures, accounting procedures etc. Sri P K Reddy is the Chairman of the Audit Committee.

**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.

With regard to the Auditors' observation on dues to a Scheduled Bank representing the balance amount of the liability taken over by the company from M/s Standard Medical & Pharmaceuticals Ltd., a one time settlement proposal is pending for clearance with the said Bank.

**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 the listing agreement, is given in the Annexure.

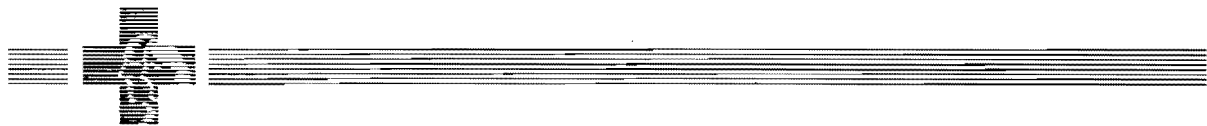
**ACKNOWLEDGMENTS:**

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

Hyderabad  
30th July, 2009

A Raghava Reddy  
Chairman



## ANNEXURE TO DIRECTORS' REPORT

### MANAGEMENT DISCUSSION & ANALYSIS

#### Industry Overview :

'Healthcare sector happens to be least impacted by the recessionary trends'. The thinking is that people get sick no matter what's happening to the economy. That premise holds true to an extent for the Pharmaceutical and Biotechnology industries, whose drugs are always in demand. But healthcare providers are far more vulnerable to economic malady. It is a myth to think healthcare providers like Hospitals and Diagnostic Centers are recession resistant. It has been experienced in the past that demand for hospital services came down substantially during the period of recession.

Healthcare service providers in India especially the Diagnostic Centers are now largely depending on the Corporate Sectors for the business and as this sector has been affected by the global recession, the Healthcare Service providers also have got the heat of the same. It may be inferred from the analysis that there are three likely impacts from a recession. Primary and preventive care will be postponed, people under the tight economic conditions will look for more credit and there will be an increase in the number of non affordable patients.

However, according to the experts the economy will recover soon and once it comes back to the rail, the growth opportunity in Healthcare business in India is enormous. According to one estimate, India's Healthcare Sector is expected to touch US \$40 billions by 2012 including US \$ 2.2 billions from Health tourists. An increase in the disposable income of Indian middle class has further fuelled India's wellness industry.

#### Company's Performance:

Your company is giving its efforts to keep pace with the changes happening in this Healthcare industry. As per the concept of reaching more people at their door steps, one more Center has been opened in Kolkata at its southern part. Necessary up-gradation of the facilities and equipment at all the centers are being made as per the requirement. Despite slowness in the Corporate Sector, opportunities are being explored to increase business of this Sector. Health Packages are being made for the patients to suit their needs.

With all these efforts, your company has been able to remain in the competition of Diagnostic Services business as a quality player. The turnover during the year 2008-09 was Rs.1240.50 lacs and a loss before prior year adjustment & taxes was Rs.43.48 lacs.

#### Risk Management:

It is the continuous practice of the Company to always identify and analyse the risks of its business. Necessary measures are being taken in time to combat the growing competition in this field. Innovative ideas are being put into action to make your

Company's products more useful and competitive. However, 'quality service' is your Company's ideology and it is being always kept in the front and it is always felt that maintaining quality is the strongest marketing tool for any business.

#### Future outlook:

Identification of the new areas in the diagnostic related fields are being tried to stand out as a specialised Diagnostic Center. There is enormous scope to expand the activities and your Company is trying to create niche area for itself.

#### S W O T:

1. Efficient infrastructure, experienced man power with upgraded technology in Diagnostic Services under one roof.
2. Suitable health schemes under different packages are being designed to suit the people of different categories and segments.
3. The threat to the business of the Company is that many more Diagnostic Centers and the Hospitals attached with Diagnostic Services are coming up. However, the Company is having its own plans and strategies to combat the same.

#### CORPORATE GOVERNANCE

##### The Company's philosophy on Code of 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 2008-09, five meetings of the Board were held. The maximum time gap between any two meetings was not more than three months. The details of Board, Audit Committee and Shareholders/Investors Grievance Committee Meetings held during the year 2008-09 are given below :

Date of the Meeting	Total Members	Total Members Attended
1. Board Meeting		
30.04.2008, 30.06.2008 }		
31.07.2008, 31.10.2008 }	5	4
30.01.2009. }		



2. Audit Committee			
30.04.2008, 30.06.2008 }			
31.07.2008, 31.10.2008 }	3	3	
30.01.2009. }			

3. Shareholders / Investors Grievance Committee			
30.04.2008, 15.05.2008 }			
16.06.2008, 15.09.2008 }			
15.10.2008, 31.10.2008 }	2	2	
01.12.2008, 15.01.2009 }			
16.03.2009. }			

The details of the attendance of each Director at the Board Meetings and the last AGM held during the year 2008-09 are given below :

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

**Audit Committee :**

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

The Audit Committee met five 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 31.03.2009. 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
2005-2006	Hotel Green Park, Greenlands, Begumpet, Hyderabad.	28th Sept., 2006	11.30 A.M.

2006-2007 Hotel Green Park, 28th Sept., 11.30 A.M.  
Greenlands, 2007  
Begumpet, Hyderabad.

2007-2008 Hotel Green Park, 22nd Sept., 11.30 A.M.  
Greenlands, 2008  
Begumpet, Hyderabad.

There was no special resolution put through postal ballot.

**Disclosures :**

a) No transaction of material nature has been entered into by the Company with its promoters, Directors or the Management, their successors, relatives etc., that may have potential conflict with the interest of the Company at large. For the details of other transactions and past transactions with deemed related parties, the members attention is invited to Note no. 8 in the notes on accounts.

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

**CEO/CFO Certification :**

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

**Means of Communication :**

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

**General Shareholders Information :**

The Sixteenth Annual General Meeting will be held on Tuesday, the 29th September, 2009 at HOTEL GREEN PARK, GREEN LANDS, BEGUMPET, HYDERABAD - 500 016.

**Date of Book Closure :**

The Company's Share Transfer Books will remain closed from Saturday, the 26h September, 2009 to Tuesday, the 29th September, 2009 (both days inclusive) for the purpose of Annual General Meeting for the Financial Year ended 31st March, 2009.

**Listing on Stock Exchanges :**

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



Stock Code :

(In BSE) 526301

Address

The Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

Market Price Data : Not available

Distribution of Shareholdings as on 31.03.2009 (including dematerialised shares) :

No. of equity Shares held	% of share holdings
upto 500	18.29
501 - 1000	2.54
1001 - 2000	1.60
2001 - 3000	0.55
3001 - 4000	0.42
4001 - 5000	0.29
5001 - 10000	1.45
10001 and above	74.86
TOTAL	100.00

Dematerialisation 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 dematerialised 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 dematerialisation of shares may please be taken up with the Company's Registrar and Transfer Agent :

Address : XL Softech Systems Ltd. 3, Sagar Society,  
Road No. 2, Banjara Hills, Hyderabad - 500 034

Medinova Centres :

Hyderabad : Anand Chambers, Somajiguda,  
Hyderabad - 500 082

Bangalore : 55, Infantry Road, Bangalore - 560 001

Kolkata : 1, Sarat Chatterjee Avenue, Kolkata - 700 029

Pune : CTS No.95-D, Plot No.825C, Sreeji House,  
Bhamburda, Shivajinagar, Pune - 411 005.

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, 2009 as envisaged in clause 49 of the listing Agreement with Stock Exchange.

Hyderabad  
30th June, 2009

A Raghava Reddy  
Chairman

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Medinova Diagnostic Services Limited,

We have reviewed the implementation of Corporate Governance procedures by the Company during the period ending March 31, 2009 with the relevant records and documents maintained by the Company, as furnished to us for our review and report on Corporate Governance as approved by the Board of Directors.

On the basis of the above and according to the information and explanations given to us, we state that, to the best of our knowledge and belief, 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 listing fee, the Company has Complied with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange in all material respects.

for J B REDDY & CO.,  
Chartered Accountants

Hyderabad  
30.07.2009

A V REDDY  
Partner



## AUDITORS' REPORT

To

The Members of  
Medinova Diagnostic Services Limited,

1. We have audited the attached Balance Sheet of MEDINOVA DIAGNOSTIC SERVICES LIMITED, as at March 31, 2009 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books of the Company;

(iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the Company;

(iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) On the basis of written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director under section 274 (1)(g) of the Companies Act, 1956.

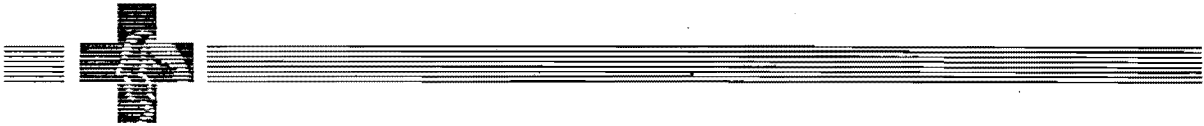
(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes on accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
- b) In the case of Profit and Loss Account, of the Loss for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

for J B REDDY & CO.,  
Chartered Accountants

Place : Hyderabad  
Date : 30th June 2009

A V REDDY  
Partner  
M.No. 23983



## ANNEXURE TO AUDITORS' REPORT

*(This is the Annexure referred to in our Report of even date)*

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All fixed assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
- c. There was no substantial disposal of Fixed Assets during the Year.
- ii) a. The Management has conducted physical verification of inventory at reasonable intervals during the year.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) a. The Company had taken Loans from two parties covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance was Rs.10,75,21,030/-. The said loans/advances are interest free and other terms and conditions on which the said loans/advances were obtained are not prima facie prejudicial to the interest of the company. As per the information and explanations given to us, there are no specific conditions as to repayment of these loans.
- b. The Company had granted inter-corporate loans, unsecured loans (including the balances in current account under loans and advances) to a Company listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved in these transactions during the year was Rs.13,66,37,635/- and the year-end balance of the said Loans & Advances was Rs.13,30,32,148/-. As per the information and explanations given to us, in view of the settlement arrangement reached with the said Company, no further interest is to be charged on the dues w.e.f 1st April, 2004 and the said dues are to be repaid by the said Company in a phased manner.
- iv) In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and with regard to sale of Services. During the course of our audit no major weaknesses have been noticed in Internal controls in these areas.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, during the year under audit, the Company has not accepted any deposits in the nature of public Deposits.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956 for any of its products.



- ix) a. The provisions of Sales Tax, Excise Duty, Cess and others are not applicable to the company. However *the Company is not regular in depositing the Provident Fund & Employees' State Insurance Contributions and Income tax Dues.*
- b. According to the information and explanations given to us *excepting an amount of Rs.5,97,659/- representing Provident Fund and 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 and 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	7.47	1998-2003	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 defaulted in repayment of dues to a scheduled bank amounting to Rs.24,16,000/- representing the balance amount of the liability takeover by the company from M/s.Standard Medical & Pharmaceuticals Limited, under a scheme of spin-off.*
- 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/ 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 Company has not obtained any term loans. Hence other matters specified in the clause are not applicable to the Company.
- 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

Place : Hyderabad  
Date : 30th June 2009

A V REDDY  
Partner  
M.No. 23983



## Balance Sheet as at March 31, 2009

SOURCE OF FUNDS	Schedule		As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
1 Shareholders' Funds				
a) Share Capital	A	9,45,68,400	9,45,68,400	
b) Reserves & Surplus	B	62,45,547	62,45,547	
			<u>10,08,13,947</u>	<u>10,08,13,947</u>
2 Loan Funds				
a) Secured Loans	C	24,16,000	24,16,000	
b) Unsecured Loans	D	17,24,27,140	16,66,56,789	
			<u>17,48,43,140</u>	<u>16,90,72,789</u>
3 Deferred Tax Liability			44,82,114	18,75,030
			<u>28,01,39,201</u>	<u>27,17,61,766</u>
TOTAL				
APPLICATION OF FUNDS				
1 Fixed Assets	E			
a) Gross Block		20,21,02,313	19,59,11,973	
b) Less: Depreciation		13,70,31,201	13,19,17,862	
c) Net Block			<u>6,50,71,112</u>	<u>6,39,94,111</u>
2 Current Assets, Loans & Advances	F	19,34,23,837	20,34,66,366	
Less: Current Liabilities & Provisions	G	9,43,27,921	10,43,82,263	
Net Current Assets			<u>9,90,95,916</u>	<u>9,90,84,103</u>
3 Profit & Loss Account			11,59,72,173	10,86,83,552
Notes on Accounts	L			
			<u>28,01,39,201</u>	<u>27,17,61,766</u>
TOTAL				

As per our report of even date

for JB REDDY & CO.,  
Chartered Accountants

A V REDDY  
Partner  
M.No.: 23983  
Place : Hyderabad  
Date : 30th June, 2009

for and on behalf of the Board

A RAGHAV REDDY  
Chairman

S BASU THAKUR  
Director

N Ravi Kumar  
Chief Operating Officer



## Profit & Loss Account for the Year ended March 31, 2009

INCOME	Schedule	For the Year ended 31.03.2009 (Rupees)	For the Year ended 31.03.2008 (Rupees)
Diagnostic Centre Receipts		11,77,12,114	12,88,86,873
Members Subscription-Gold Card Plus Scheme		7,67,647	13,88,554
Franchise Royalty & Service Charges		5,92,461	7,56,478
Pharmacy Sales		12,19,767	12,21,950
Training Fee Receipts		4,65,200	5,25,100
Other Income	H	32,92,885	9,09,336
<b>TOTAL</b>		<b>12,40,50,074</b>	<b>13,36,88,291</b>
<b>EXPENDITURE</b>			
Chemicals & Consumables		1,30,61,669	1,47,44,001
Cost of Pharmacy Goods Sold		11,77,137	11,46,602
Staff Expenses	I	2,17,73,543	2,13,12,080
Administrative and Other Expenses	J	8,38,16,112	8,41,35,704
Interest and Other Finance Charges	K	30,19,334	29,70,839
Depreciation	E	55,50,889	60,20,021
<b>TOTAL</b>		<b>12,83,98,684</b>	<b>13,03,29,247</b>
Profit / (Loss) before Extraordinary/Prior Period items		(43,48,610)	33,59,044
Less: Prior Year Adjustments / Extraordinary items		1,08,956	3,58,851
Profit / (Loss) before Tax		(44,57,566)	30,00,193
Less: Provision for Current Taxes			
- Income Tax		0	3,72,276
- Fringe Benefit Tax		2,23,971	2,19,254
- MAT Credit		0	(3,72,276)
Profit / (Loss) before Deferred Tax		(46,81,537)	27,80,939
- Provision for Deferred Tax		26,07,084	1,38,33,907
Profit / (Loss) after Tax		(72,88,621)	(1,10,52,968)
Loss brought forward from earlier years		10,86,83,552	9,76,30,584
Loss carried to Balance Sheet		11,59,72,173	10,86,83,552

As per our report of even date

for JB REDDY & CO.,  
Chartered Accountants

A V REDDY  
Partner  
M.No.: 23983  
Place : Hyderabad  
Date : 30th June, 2009

for and on behalf of the Board

A RAGHAVA REDDY  
Chairman

S BASU THAKUR  
Director

N Ravi Kumar  
Chief Operating Officer



	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
<b>SCHEDULE- A</b>		
Share Capital:		
Authorised:		
1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued,Subscribed & Paid-up:	9,48,16,400	9,48,16,400
94,81,640 Equity Shares of Rs.10/- each		
Subscribed and called up in full		
Less : Allotment Money Arrears	2,48,000	2,48,000
	<u>9,45,68,400</u>	<u>9,45,68,400</u>
<b>TOTAL</b>	<b>9,45,68,400</b>	<b>9,45,68,400</b>
<b>SCHEDULE- B</b>		
Reserves & Surplus		
General Reserve	62,45,547	62,45,547
	<u>62,45,547</u>	<u>62,45,547</u>
<b>TOTAL</b>	<b>62,45,547</b>	<b>62,45,547</b>
<b>SCHEDULE- C</b>		
Secured Loans		
Dues to a Scheduled Bank on account of Foreign Currency Buyers Credit	24,16,000	24,16,000
	<u>24,16,000</u>	<u>24,16,000</u>
<b>TOTAL</b>	<b>24,16,000</b>	<b>24,16,000</b>
<b>SCHEDULE- D</b>		
Unsecured Loans		
Membership Deposits	6,49,06,110	6,95,09,804
Inter-corporate Loans	10,75,21,030	9,71,46,985
	<u>17,24,27,140</u>	<u>16,66,56,789</u>
<b>TOTAL</b>	<b>17,24,27,140</b>	<b>16,66,56,789</b>

## SCHEDULE - E

### Fixed Assets

(Rupees)

Sl. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31-03-08	Additions	Sale/ Adjust	As at 31-03-09	As at 31-03-08	For the Year	Adj on a/c of Sale	As at 31-03-09	As at 31-03-2009	As at 31-03-2008
1.	Building including Civil Works on Lease Buildings	1,80,34,222	32,06,050	0	2,12,40,272	39,61,201	3,28,481	0	42,89,682	1,69,50,590	1,40,73,021
2.	Plant & Machinery	14,15,80,237	52,06,421	0	14,67,86,658	11,15,53,093	38,82,179	0	11,54,35,272	3,13,51,386	3,00,27,144
3.	Office equipment	42,90,675	3,27,260	0	46,17,935	17,92,627	2,08,956	0	20,01,583	26,16,352	24,98,048
4.	Furniture & Fixtures	31,92,488	10,77,531	0	42,70,019	26,61,133	2,22,752	0	28,83,885	13,86,134	5,31,355
5.	Vehicles	8,44,825	0	0	8,44,825	4,74,754	38,177	0	5,12,931	3,31,894	3,70,071
6.	Libaray	70,250	0	0	70,250	49,447	3,337	0	52,784	17,466	20,803
7.	Electrical Installation	1,78,41,060	18,90,802	6,14,115	1,91,17,747	1,14,25,607	8,67,007	4,37,550	1,18,55,064	72,62,683	64,15,453
8.	Capital Work-in- Progress	1,00,58,216	0	49,03,609	51,54,607	0	0	0	0	51,54,607	1,00,58,216
	TOTAL	19,59,11,973	1,17,08,064	55,17,724	20,21,02,313	13,19,17,862	55,50,889	4,37,550	13,70,31,201	6,50,71,112	6,39,94,111



**SCHEDULE- F**

	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
<b>Current Assets, Loans &amp; Advances</b>		
<b>A. Current Assets:</b>		
i) Inventories (as certified by Management)		
Stores & Machinery Spares	25,73,520	29,57,430
Stationery	9,91,694	9,99,721
Chemicals & consumables	56,68,809	55,01,033
Pharmacy Stock	3,73,714	3,86,947
ii) Sundry Debtors (Unsecured considered good)		
a) Debts outstanding for more than 6 months	1,01,43,673	94,20,821
b) Other Debts	1,23,73,772	1,29,04,813
iii) Cash and Bank Balances		
Cash on Hand	5,34,871	7,58,726
Balances with Scheduled Banks in Current Accounts	14,30,669	3,18,404
iv) Accrued Interest	3,64,78,493	3,82,78,493
Sub-Total (A)	<u>7,05,69,215</u>	<u>7,15,26,388</u>
<b>B. Loans And Advances (Unsecured considered good)</b>		
i) Deposits	1,40,46,655	1,52,03,961
ii) Voluntary Loan Contribution with APSEB	7,40,391	7,40,391
iii) Advances recoverable in Cash or Kind or for value to be received		
Call Deposits	3,48,28,305	3,70,28,305
Advance for Supplies, Expenses and Services	0	4,81,830
Other Advances	6,92,43,629	7,16,00,321
MAT Credit entitlement	7,77,538	7,77,538
Staff Advances	7,59,148	10,85,230
Prepaid Expenses	24,58,956	50,22,402
Sub Total (B)	<u>12,28,54,622</u>	<u>13,19,39,978</u>
TOTAL (A + B)	<u>19,34,23,837</u>	<u>20,34,66,366</u>



SCHEDULE- G	As at 31.03.2009 (Rupees)	As at 31.03.2008 (Rupees)
<b>Current Liabilities &amp; Provisions</b>		
<b>A. Current Liabilities</b>		
i) Sundry Creditors for supplies, expenses & others	5,65,46,924	6,03,18,538
ii) Members' subscription under - Gold Card Plus/Service Benefit Schemes	77,92,639	1,07,60,672
iii) Other liabilities	31,08,014	14,23,954
iv) Interest Accrued but not due	2,25,21,589	2,47,99,392
<b>Sub Total (A)</b>	<b>8,99,69,166</b>	<b>9,73,02,556</b>
<b>B. Provisions</b>		
Provision for Tax		
- Current Tax	0	3,72,276
- Fringe Benefit Tax	2,23,971	2,19,254
- Provision for Gratuity	41,34,784	64,88,177
<b>Sub Total (B)</b>	<b>43,58,755</b>	<b>70,79,707</b>
<b>TOTAL (A + B)</b>	<b>9,43,27,921</b>	<b>10,43,82,263</b>

SCHEDULE-H	For the Year ended 31.03.2009 (Rupees)	For the Year ended 31.03.2008 (Rupees)
<b>Other Income</b>		
Service Charges	3,14,750	2,89,000
Excess Provision of Gratuity relating to the earlier years Written Back	26,67,873	0
Profit on Sale of Assets	53,435	0
Miscellaneous Income	2,56,827	6,20,336
<b>TOTAL</b>	<b>32,92,885</b>	<b>9,09,336</b>

#### SCHEDULE- I

<b>Staff Expenses</b>		
Staff Salaries, Bonus and Allowances	1,87,28,584	1,80,13,591
Company's Contribution to PF, Pension and ESI	13,53,984	13,94,028
Gratuity	6,51,086	9,76,756
Staff Welfare	6,06,518	5,08,653
Other Benefits	4,33,371	4,19,052
<b>TOTAL</b>	<b>2,17,73,543</b>	<b>2,13,12,080</b>



## SCHEDULE- J

Administrative and Other Expenses	For the Year ended 31.03.2009 (Rupees)	For the Year ended 31.03.2008 (Rupees)
Electricity and Fuel Charges	61,42,647	63,12,358
Lease Rentals	25,97,195	28,66,859
Repairs & maintenance		
- Plant & Machinery	50,44,931	49,73,067
Rent	98,64,267	59,18,052
Rates & Taxes	1,84,590	6,80,909
Printing & Stationery	13,73,594	13,76,954
Postage, Telephones & Trunk Calls	12,08,535	12,98,229
Travel & Conveyance	17,53,328	19,83,521
Legal & Professional charges	3,27,646	3,24,399
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 Fees	6,000	4,000
Insurance	41,851	43,299
Books, Periodicals & Subscriptions	16,473	23,301
Annual Listing Fees	15,000	31,550
Advertisement and Publicity	2,11,555	1,69,986
Corporate & Gold Card Concessions and Discounts	2,22,06,790	2,61,42,488
Development expenses	1,10,66,887	1,22,95,134
Other expenses	2,16,20,823	1,95,57,598
<b>TOTAL</b>	<b>8,38,16,112</b>	<b>8,41,35,704</b>

## SCHEDULE- K

Interest & Other Finance Charges	For the Year ended 31.03.2009 (Rupees)	For the Year ended 31.03.2008 (Rupees)
Interest & Finance Charges	27,14,362	26,17,344
Bank Charges	3,04,972	3,53,495
<b>TOTAL</b>	<b>30,19,334</b>	<b>29,70,839</b>

## SCHEDULE - L

### NOTES ON ACCOUNTS

#### 1. Significant Accounting Policies

- a) **Cost Convention:** The Accounts have been prepared under historical cost convention.
- b) **Revenue Recognition:** All incomes 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 utilisation of services.
- c) **Fixed Assets:** Fixed Assets are valued at cost less depreciation.
- d) **Depreciation:** Depreciation is provided on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.
- e) **Inventories:** Stores, Machinery Spares, Stationary, Pharmacy stocks and Chemicals & Consumables are carried at lower of cost and net realisable value. Cost is determined on First-in-First-out basis.
- f) **Employees Benefits:**
  - i) Contribution to Provident Fund is recognised 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 categorised as a retirement benefit, as the company is in the practice of paying the leave encashment benefit every year.
- g) **Lease Rentals:** There were no equipment/machinery obtained on Financial Lease during the year. For the Leases entered into till 31st March, 2001, Lease Rentals are accounted as expenditure at the appropriate yearly charge based on the life of the Assets. Leases, where the lessor retains substantially all the risks and rewards incidental to the ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit & loss account on straight line basis over the lease term.
- h) **Deferred Taxes:** 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.
2. Liabilities relating to foreign currency buyers credit have been guaranteed by Nationalised Banks which in turn are secured by way of hypothecation of Machinery of the Hyderabad Diagnostic Centre and further guaranteed by personal guarantee of one of the Directors.
3. Contingent Liabilities not provided for :
- |                                | As at 31.03.2009 | As at 31.03.2008 |
|--------------------------------|------------------|------------------|
|                                | (Rupees)         | (Rupees)         |
| Provident Fund interest demand | 7,46,889         | 7,46,889         |
4. Managerial Remuneration:
- |  | 2008-2009 | 2007-2008                          |
|--|-----------|------------------------------------|
|  | (Rupees)  | (Rupees)                           |
| Sri. N. Ravi Kumar, Manager (Designated as Chief Operating Officer)                    | 1,99,200  | 1,66,000<br>(For part of the Year) |
| Lt. Col. (Rtd.) Dr. K Bhaskara Reddy, Manager<br>(Designated as Chief General Manager) | --        | 32,000<br>(For part of the Year)   |
5. 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.
6. Prior period adjustments consist of:
- |   | 2008-2009 | 2007-2008 |
|---|-----------|-----------|
|   | (Rupees)  | (Rupees)  |
| a) Interest on taxes                              | 1,08,956  | 65,003    |
| b) Customs Duty of earlier years not provided for | --        | 2,93,848  |
7. There were no dues to SSI units as at the year end.
8. **Related Party Transactions :**  
As required by Accounting Standard - AS 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India, details of transactions of related parties with whom transactions have taken place during the year are as follows:
- a) Company on which presumed significant influence exists
- |  |   |  |
|--|---|--|
| Name of the Company                                  | : | M/s. Standard Medical & Pharmaceuticals Ltd. |
| Nature of Relationship                               | : | Presumed significant influence               |
| Nature of Transactions                               |   | Volume (Rupees)                              |
|  |   | for the year<br>ended 31.03.2009             |
|  |   | for the year<br>ended 31.03.2008             |
| Rendering Services                                   |   | (Rupees)                                     |
| Sharing of Expenses - Net                            | : | 3,94,513                                     |
| Amount Received - Net                                | : | 40,00,000                                    |
| Amounts Outstanding as at the<br>Balance sheet date  |   | As at 31.03.2009<br>(Rupees)                 |
| - Call Deposit                                       | : | 3,48,28,305                                  |
| - Advances (including balance in<br>current account) | : | 6,17,25,350                                  |
| - Accrued Interest                                   | : | 3,64,78,493                                  |
| - Share Capital (credit)                             | : | (2,75,02,200)                                |



b) Key Management Personnel	for the year ended 31.03.2009	for the year ended 31.03.2008
N.Ravi Kumar, Manager (Designated as Chief Operating Officer)	(Rupees)	(Rupees)
Remuneration:	1,99,200	1,66,000 (For Part of the Year)
Dr. K Bhaskara Reddy, Manager (Designated as Chief General Manager)		
Remuneration:	--	32,000 (For Part of the Year)
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. (an associate Company and in which two Directors of the Company are also Directors).	Balance as at 31.03.2009 (Rs. in Lakhs)	Maximum Outstanding at any time during the year ended 31.03.2009 (Rs. in Lakhs)
i) Call Deposits, Advances including balance in current account together with interest thereon.	1330.32	1366.37
ii) Investment in Company's shares by the associate Company (27,50,220 equity shares of Rs.10/- each)	275.02	275.02
9. As detailed in Note No.8, 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.		
10. The Company is engaged in the business of Diagnostic Services and related business. There are no other reportable business segments.		
11. 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 Account:	Amount (Rs.)	
Current Service Cost	93,715	
Interest Cost on benefit obligation	3,05,625	
Expected return on plan assets	Nil	
Net Actuarial (gain) / loss recognized in the year	2,51,746	
Past services cost	Nil	
Net Benefit expenses	6,51,086	
Actual return on plan assets	NA	
b. Changes in present value of the defined benefit obligation as on 31.03.2009		
Opening defined benefit obligation	38,20,304	
Interest cost	3,05,625	
Current services cost	93,715	
Benefits paid	(3,36,606)	
Actuarial (gains)/losses on obligation	2,51,746	
Closing defined benefit obligation	41,34,784	
c. Actuarial Assumptions :		
Salary Rise	6%	
Discount Rate	8%	
Attrition Rate	6%	
Mortality Rate	Table of LIC 1994-96	
Retirement Age	58 years	
12. The break-up for the Deferred Tax Liability / (Asset) is given below :	As at 31.3.2009	As at 31.3.2008
Timing difference on	(Rupees)	(Rupees)
- Depreciation :	1,04,42,276	98,39,713
- Losses :	(14,22,156)	(56,23,815)
- Others :	(45,38,006)	(23,40,868)
Total :	<u>44,82,114</u>	<u>18,75,030</u>



	for the year ended 31.03.2009 (Rupees)	for the year ended 31.03.2008 (Rupees)
13. Computation of Earning per share		
Earning per share = Net Profit for the year/No. of Equity Shares		
Profit / (Loss) before prior period adjustments & extraordinary items	(43,48,610)	33,59,044
Number of Shares	94,81,640	94,81,640
Earning per Share (Rs.)	N.A	0.35
Profit / (Loss) after Tax	(72,88,621)	(1,10,52,968)
Earning per share (Rs.)	N.A	N.A

14. Previous year's figures have been re-grouped wherever necessary to confirm the figures for the current year.

15. Information as required under Part -IV, schedule VI of the Companies Act, 1956 is given here under.

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

i) Registration Details :

Registration No. :   
Balance Sheet Date :  State Code :

ii) Capital raised during the year (Amount in Rs. Thousands) :

Public Issue :  Right Issues :   
Bonus Issue :  Private Placement :

iii) Position of Mobilisation and Deployment of Funds :

(Amount in Rs. Thousands)

Total Liabilities :  Total Assets :

Sources of Funds

Paid-up Capital :  Reserves & Surplus :

Secured Loans :  Unsecured Loans :

Deferred Taxes :

Application of Funds

Net Fixed Assets :  Net Current Assets :

Accumulated Losses :

iv) Performance of Company (Amount in Rs. Thousands)

Turnover :  Total Expenditure :

Loss before Tax :  Loss after Tax :

Earnings per Share :  Dividend :

v) Generic Names of three principal products/services of Company:

(as per Monetary terms)

The Company is in the business of :

As per our report of even date

for and on behalf of the Board

for JB REDDY & CO.,  
Chartered Accountants

A RAGHAVA REDDY  
Chairman

S BASU THAKUR  
Director

A V REDDY  
Partner

Place : Hyderabad  
Date : 30th June, 2009

N Ravi Kumar  
Chief Operating Officer



## CASH FLOW STATEMENT

	For the year ended 31.03.2009 (Rupees in lakhs)	For the year ended 31.03.2008 (Rupees in lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / (Loss) before Tax and Prior period/Extraordinary items :	(43.48)	33.59
Adjustments for :		
Depreciation	55.50	60.20
Interest	30.19	29.71
Profit on Sale of Asset	(0.53)	0.00
Operating Profit before working Capital changes	41.68	123.50
Adjustments for :		
Decrease in Pre-paid Expenses	25.63	28.59
Decrease / (Increase) in Trade & Other receivables	41.30	(71.94)
Decrease / (Increase) in Inventories	2.37	(0.42)
Decrease in Trade Payables	(67.18)	(63.61)
Decrease in Subscriptions under -Gold Card Plus / Service benefit Schemes	(29.68)	(21.26)
Decrease in Membership Deposits	(46.04)	(121.54)
Cash generated from operations	(31.92)	(126.68)
Interest Paid	(30.19)	(29.71)
Direct Taxes Paid	(5.92)	(3.72)
Cash Flow from Operating Activities	(68.03)	(160.11)
LESS: Prior period/Extraordinary items	1.09	3.59
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	(69.12)	(163.70)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(68.04)	(81.94)
Sale of Fixed Assets	2.30	0.00
Decrease in Accrued Interest	18.00	16.19
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	(47.74)	(65.75)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Decrease in Call Deposits	22.00	16.50
Increase in Inter-Corporate Loan	103.74	216.05
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	125.74	232.55
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	8.88	3.10
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	10.77	7.67
<b>CASH AND CASH EQUIVALENTS</b>	19.65	10.77

This is the Cash Flow Statement referred to in our report of even date.

for JB REDDY & CO.,  
Chartered Accountants

for and on behalf of the Board

A V REDDY  
Partne  
M.No. 25983  
Place : Hyderabad  
Date : 30th June, 2009

A RAGHAVA REDDY  
Chairman

S BASU THAKUR  
Director

N Ravi Kumar  
Chief Operating Officer



## Medinova Diagnostic Services Limited

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

### SIXTEENTH ANNUAL GENERAL MEETING ATTENDANCE SLIP

Folio No. :

Name :

Address :

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

Client ID :

D.P. ID :

I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company being held at Hotel Green Park, Greenlands, Begumpet, Hyderabad at 11.30 AM, on Tuesday, the 29th September, 2009.

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.

### SIXTEENTH ANNUAL GENERAL MEETING PROXY FORM

Client ID :

D.P. ID :

Folio No. :

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 Tuesday, the 29th September, 2009 or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Name \_\_\_\_\_

Address \_\_\_\_\_

Affix Rs. 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.