

## ANNEXURE 12

### REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF MEDINOVA DIAGNOSTIC SERVICES LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF MEDINOVA DIAGNOSTIC SERVICES LIMITED WITH VIJAYA DIAGNOSTIC CENTRE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

This Report is prepared, considered and approved by the Committee of Independent Directors (“**Committee**”) of Medinova Diagnostic Services Limited (“**Transferor Company**” or the “**Company**”) pursuant to its meeting held on June 26, 2024, where the following independent directors were present:

**Present:**

1. Ravikumar Reddy Kanamatareddy – Independent Director
2. P Kamalakar Rao – Independent Director

**Chairman:** The Committee unanimously elected Mr. Ravikumar Reddy Kanamatareddy as the Chairman for this meeting.

#### 1. Background

- 1.1 This meeting of the Committee was held on June 26, 2024, to consider the proposed Scheme of Amalgamation which *inter alia* provides for the amalgamation of the Company with and into Vijaya Diagnostic Centre Limited (“**Transferee Company**”) pursuant to a Scheme of Amalgamation amongst the Company, the Transferee Company and their respective shareholders and creditors (“**Scheme**”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Companies Act**”).
- 1.2 The Transferee Company is a listed public limited company whose equity shares are listed on the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited.
- 1.3 The Transferor Company is a listed public limited company, whose equity shares are listed on BSE.
- 1.4 In terms of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 issued by the Securities and Exchange Board of India (“**SEBI**”) on June 20, 2023 (as amended from time to time) (“**SEBI Scheme Circular**”), the Committee is required to provide a report recommending the draft Scheme taking into consideration, *inter alia*, that the scheme is not detrimental to the shareholders of the Company.
- 1.5 This Report is made in compliance with the requirements of SEBI Scheme Circular.

#### 2. Documents perused by the Committee

While deliberating on the Scheme, the Committee, *inter alia*, considered and took on record the following documents:

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- (a) the draft Scheme;
- (b) the Valuation Report dated June 26, 2024, issued jointly by SSPA & Co Chartered Accountants with Registration number IBBI/RV-E/06/2020/126 and CA Prashant Ghorela with Registration Number IBBI/RV/06/2021/14003), Registered Valuers appointed by the Audit Committee of the Board of the Company and the Transferor Company (collectively referred to as the “**Valuation Report**”);
- (c) the Fairness Opinion dated June 26, 2024, issued by Fortress Capital Management Services Private Limited, SEBI registered merchant banker with registration number INM000011146 providing its opinion on the fairness of the share exchange ratio proposed in the Valuation Report (“**Fairness Opinion**”); and
- (d) the Certificate dated June 26, 2024, issued by M. Anandam & Co., the Statutory Auditors of the Company, certifying that the accounting treatment contained in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act read with the rules framed thereunder or the accounting standards issued by the Institute of Chartered Accountants of India, as applicable and other generally accepted accounting principles.

### **3. Salient features of the Scheme**

3.1 The Scheme, amongst others, contemplates the following:

- (a) the amalgamation of the Transferor Company (as defined hereinafter) with and into the Transferee Company (as defined hereinafter) on a going concern basis in accordance with Section 2(1B) of the Income-tax Act, 1961 and the consequent issuance of Equity Shares by the Transferee Company to the shareholders of the Transferor Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the SEBI Scheme Circular; and
- (b) various other matters incidental, consequential or otherwise integrally connected therewith.

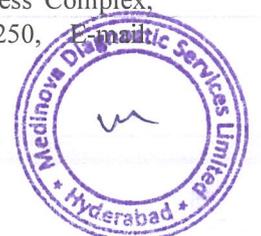
3.2 The Appointed date (as defined in the Scheme) of the Scheme is 01 April 2024.

3.3 The effectiveness of the Scheme is conditional upon fulfilment of certain conditions precedent as provided in Clause 29 of the Scheme.

### **4. Rationale of the Scheme**

4.1 Both the Transferor Company and Transferee Company are engaged in the business of providing diagnostic services. The proposed amalgamation will enable the Transferor Company and the Transferee Company to combine their businesses and create synergies between their businesses, including revenue synergies through sharing of consumer understanding, market insights and channel models to ensure faster reach to the market and to achieve faster growth;

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- 4.2 Cost savings are expected to flow from more focused operational efforts and simplification of business processes, productivity improvements, improved procurement, usage of common resource pool like human resource, administration, finance, accounts, legal, technology and other related functions, leading to elimination of duplication and rationalization of administrative expenses;
- 4.3 The proposed amalgamation is expected to create enhanced value for the stakeholders of the Transferor Company and the Transferee Company;
- 4.4 Greater efficiency in cash management of the Transferee Company, pooling of cash resources and unfettered access to cash flow generated by the combined business which can be deployed more efficiently to fund growth opportunities, to maximize shareholder value; and
- 4.5 Simplification of overall group structure and creating efficiencies through amalgamation.

**5. Scheme is not detrimental to the shareholders of the Company**

- 5.1 The Committee discussed the background, salient features and rationale of the Scheme. In view of the various documents presented to the Committee, including the Valuation Report and the Fairness Opinion, it is observed that the Scheme will result in synergies between the businesses of the Company and the Transferee Company.
- 5.2 As per the Scheme, in consideration for the proposed amalgamation, the Transferee Company is required to issue and allot fully paid-up equity shares of the Transferee Company to the shareholders of the Company other than the Transferee Company or its nominees or subsidiaries, whose names are registered in the Register of Members of the Transferor Company as on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or their successors in title as may be recognised by the Board of Directors of Transferor Company in the following manner:

*For every 22 Equity Shares of face value of INR 10 (INR Ten only) each fully paid up held in the Transferor Company as on the Record Date (as defined in the Scheme), the equity shareholders of the Transferor Company shall be issued 1 Equity Share of face value of INR 1 (INR One only) each fully paid up in the Transferee Company.*

- 5.3 The Committee discussed and formed the view that there will be strong synergies in the proposed amalgamation contemplated in the Scheme, the employees will be benefitted and the Company will be better positioned to carry on the combined businesses of the Company and the Transferee Company, financially and otherwise.
- 5.4 Therefore, considering the above and other documents presented to the Committee, the Committee is of the view that the Scheme is not detrimental to the shareholders of the Company.

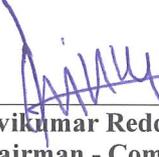
**6. Recommendation of the Committee**

In view of the above, and taking into considerations the documents presented to the Committee, after due deliberations and due consideration of all the terms of the Scheme, in particular fact that the Scheme is not detrimental to the shareholders of the Company, the Committee



unanimously recommends the Scheme for approval by the Board of Directors of the Company, BSE, NSE, the SEBI and other statutory/ regulatory authorities including the National Company Law Tribunal, Hyderabad Bench.

**For and on behalf of the Committee of Independent Directors  
of Medinova Diagnostic Services Limited**

  
  
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**Ravikumar Reddy Kanamatareddy**  
**Chairman - Committee of Independent Directors**  
DIN: 10663314  
Date: June 26, 2024  
Place: Hyderabad