

August 9, 2024

To  
The Corporate Relations Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001  
**Scrip Code: 526301**

Dear Sir/Madam,

**Sub: Medinova Diagnostic Services Limited – Annual Report for the FY 2023-24 along with the Notice of the 31<sup>st</sup> Annual General Meeting**

We hereby inform you that the Thirty-first (31<sup>st</sup>) Annual General Meeting ("AGM") of the members of the Company will be held on **Tuesday, September 3, 2024 at 11:30 A.M. (IST)** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the financial year 2023-24 including the Notice of the AGM to be held on September 3, 2024.

We also wish to inform you that the Notice of 31<sup>st</sup> AGM and the Annual Report have been sent to the members today, i.e., August 9, 2024, by way of email.

Kindly take the above information on your record.

Thanking you.

Yours sincerely,  
For **Medinova Diagnostic Services Limited**

**Hansraj Singh**  
**Company Secretary & Compliance Officer**  
**M. No. F11438**

Encl.: As above



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Dr. Sura Surendranath Reddy	- Chairman - Non Executive Director
Mr. Sunil Chandra Kondapally	- Managing Director
Mrs. B. Vishnu Priya Reddy	- Non-Executive Director
Mr. P. Kamalakar Rao	- Independent Director
Mr. K.V. Ravindra Reddy*	- Independent Director
Mr. K. Ravi Kumar Reddy**	- Independent Director

### **KEY MANAGERIAL PERSONNEL**

Mr. B. Madhav Reddy <sup>#</sup>	- Chief Financial Officer
Mr. Nikhil Rajmal Jain <sup>##</sup>	- Chief Financial Officer
Mr. Hansraj Singh	- Company Secretary

### **REGISTERED OFFICE**

H. No. 7-1-58, Unit No. 1/Flat No. 301,  
3rd Floor, Amrutha Business Complex,  
Ameerpet, Hyderabad, Telangana, 500016  
Phone: 040 42604250  
Email: [cs@medinovaindia.com](mailto:cs@medinovaindia.com)  
Website: [www.medinovaindia.com](http://www.medinovaindia.com)

CIN: L85110TG1993PLC015481

*\*retired upon completion of term w.e.f. March 31, 2024*

*\*\*appointed w.e.f. June 21, 2024*

*#resigned w.e.f. December 31, 2023*

*##appointed w.e.f. January 31, 2024*

### **STATUTORY AUDITORS**

M/s. M. Anandam & Co.,  
7A, Surya Towers, Sardarpatel  
Road, Secunderabad – 500003

### **SECRETARIAL AUDITOR**

Mr. Balaramakrishna Desina,  
Practising Company Secretary  
8-6-363/871/7,8&9/304,  
Manikanta Castle, Road No.3,  
Mallikarjuna Colony, Old  
Bowenpally

### **REGISTRAR AND SHARE TRANSFER AGENT**

XL Softech Systems Ltd 3,  
Sagar Society, Road No.2,  
Banjara Hills,  
Hyderabad – 500 034  
Phone No: 040-23545913/14/15  
Email: [xlfield@gmail.com](mailto:xlfield@gmail.com)

INDEX	PAGE NOS.
Notice of 31 <sup>st</sup> Annual General Meeting	: 2-15
Board's Report & Annexures	: 16-33
Standalone Financial Statements	: 34-75
Consolidated Financial Statements	: 76-118

**Disclaimer:**

In this Annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward- looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty-first (31<sup>st</sup>) Annual General Meeting (“AGM”) of the Members of **Medinova Diagnostic Services Limited** (“the Company”) will be held on **Tuesday, September 3, 2024, at 11:30 a.m. (IST)** through Video Conferencing/Other Audio Visual Means (“VC/OAVM”) facility, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors and Statutory Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 and the Report of Statutory Auditors thereon.
3. To appoint a director in place of Mr. Sunil Chandra Kondapally (DIN:01409332), who retires by rotation in terms of section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. **To consider and approve the re-appointment of Mr. Sunil Chandra Kondapally (DIN:01409332) as the Managing Director of the Company for a term of five (5) years.**

*To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution:*

**“RESOLVED THAT** pursuant to the provisions of Section 178, 196, 197, 198, and 203 of the Companies Act, 2013 and other applicable provisions, if any, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as well as other Rules made thereunder and Schedule V of the Companies Act, 2013 (including any statutory modification(s) or reenactment thereof for the time being in force) collectively referred to as, the “Act, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and such other provisions as may be applicable, and based upon the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors of the Company, the consent of the shareholders of the Company be and is hereby accorded for re-appointment of Mr. Sunil Chandra Kondapally (DIN:01409332) as the Managing Director of the Company for a period of 5 years effective from September 25, 2024, without any remuneration/perquisites payable to him.”

**“RESOLVED FURTHER THAT** the Managing Director shall perform such duties and services as shall from time to time be entrusted to him including the powers exercisable by the Board under the Articles of Association of the Company and shall undertake to use his best endeavours to promote the interests of the Company and comply with such orders and directions as may be given to him by the Board from time to time.”

**“RESOLVED FURTHER THAT** no sitting fees shall be paid to the Managing Director for attending the Meetings of the Board of Directors of the Company or Committees thereof.”

**“RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and are hereby severally authorized to take such necessary steps as may be required in relation to the above and to all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and file necessary forms with the Registrar of Companies and with such other regulatory authorities, and to do the necessary entries in the statutory records and register of Directors and Key Managerial Personnel.”

5. **To consider and approve the appointment of Mr. Ravi Kumar Reddy Kanamatareddy (DIN:10663314) as an Independent Director of the Company.**

*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 Sections 149, 150, 152, 160, 161, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the approval of the Board of Directors of the Company, Mr. Ravi Kumar Reddy Kanamatareddy (DIN:10663314), who was appointed as an Additional Director of the Company, under the category of Independent Director with effect from June 21, 2024, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act read with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, read with the Rules made thereunder and the applicable provisions of Listing Regulations, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of an Independent Director, be and is hereby appointed as Non-Executive Independent Director of the Company, to hold office for a term of five consecutive years i.e., from June 21, 2024 till June 20, 2029 and not liable to retire by rotation.”

**“RESOLVED FURTHER THAT** any Director and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, desirable or expedient to give effect to the above resolution, including completing necessary filings with the relevant regulatory authorities regarding such appointment.”

**By the Order of the Board  
For Medinova Diagnostic Services Limited**

Date: June 21, 2024  
Place: Hyderabad

**Hansraj Singh  
Company Secretary & Compliance Officer  
M. No. F11438**



**Notes:**

1. Explanatory Statement(s) setting out the material facts pursuant to Section 102(1) of the Companies Act 2013 (“Act”) in respect of special business set forth in the AGM Notice is annexed hereto and forms part of this Notice. The Explanatory Statement also contains the relevant details of the Directors as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard – 2 (“SS-2”) on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) Further, the term Member(s) or Shareholder(s) are used interchangeably in this Notice.
2. The Ministry of Corporate Affairs (‘MCA’) vide its General Circular No. 20/2020 dated May 5, 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated September 25, 2023 (MCA Circulars), has allowed the Companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till September 30, 2024. In line with the MCA Circular, the Securities and Exchange Board of India (SEBI) vide its circular no. SEBI/HO/CFD/CFDPoD-2/P/CIR/2023/167 dated October 07, 2023, in relation to “Relaxation from compliance with certain provisions of the SEBI Listing Regulations” (“SEBI Circular(s)”) has relaxed the applicability of regulation 36(1)(b) of the SEBI Listing Regulations, for Annual General Meetings (AGMs) and regulation 44(4) of the SEBI Listing Regulations for general meetings (in electronic mode) till September 30, 2024. In compliance with the Act, MCA Circulars and SEBI Circular, the AGM of the members of the Company is being held through VC/ OAVM and the deemed venue for the AGM shall be the registered office of the Company.
3. Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxy by Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, pursuant to Section 113 of the Act, Corporate Shareholders are entitled to appoint their authorised representatives to attend the AGM through VC/OAVM on their behalf and to vote through electronic means.
4. The facility of VC/OAVM, casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
5. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members (members’ logins) attending the e-AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
8. Institutional/Corporate Shareholders are required to send a scanned copy of their Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-Voting/remote e-Voting. The said Resolution/Authorization shall be sent to Scrutinizer by email at [balaramdesina@gmail.com](mailto:balaramdesina@gmail.com) with a copy marked to [cs@medinovaindia.com](mailto:cs@medinovaindia.com)
9. All documents referred to in the accompanying Notice shall be available for inspection electronically. Members seeking to inspect such documents can send an email to [cs@medinovaindia.com](mailto:cs@medinovaindia.com)

10. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013, will be available electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send an email to [cs@medinovaindia.com](mailto:cs@medinovaindia.com)
11. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, XL Softech Systems Limited at [xlfield@gmail.com](mailto:xlfield@gmail.com)
12. In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website viz. <http://www.medinovaindia.com/investors.php>, and may also be accessed from the relevant section of the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) The AGM Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
13. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent ('RTA') in case the shares are held by them in physical form, quoting folio number. SEBI has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC details and Nomination to the Registrar and Transfer Agent ('RTA') of the Company. In view of the above, shareholders of the Company holding securities in physical form shall provide PAN, Nomination form, contact details including Postal address with PIN code, Mobile Number, E-mail address documents/details, bank details and specimen signature to RTA, in the prescribed forms ISR-1, ISR-2, ISR-3, SH-13 and SH-14 as the case may be. The said forms are available on the website of the Company.
14. SEBI has mandated that all the requests for transfer of securities including transmission and transposition requests shall be processed in the dematerialized form. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions. Members may contact Company's RTA for assistance in this regard.
15. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.

#### Remote e-Voting:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members through e-Voting agency National Securities Depository Limited (NSDL).
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 **August 27, 2024** ('the cut-off date'), shall be entitled to vote in respect of the shares held, by availing the facility of remote e-voting prior to the AGM. Members who could not vote through remote e-voting may avail the e-voting system provided in the AGM by NSDL.
3. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e., **August 27, 2024**.



4. A member may participate in the AGM even after exercising his right to vote through remote e-voting prior to the AGM but shall not be allowed to vote again at the AGM.
5. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of cut-off date, may obtain the login id and password by sending a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
6. The Board of Directors has appointed Mr. D Balarama Krishna, Practicing Company Secretary (FCS: 8168, CP No. 22414) as the Scrutinizer to scrutinize the remote e-voting and voting during the AGM in a fair and transparent manner.
7. The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/have been carried or not, to the Chairman or any other person authorized by him in writing.
8. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.medinovaindia.com](http://www.medinovaindia.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited where the securities of the Company are listed.
9. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. September 3, 2024.

**The remote e-voting period begins on Saturday, August 31, 2024 at 9:00 a.m. (IST) and ends on Monday, September 2, 2024 at 5:00 p.m. (IST).** During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e. Tuesday, August 27, 2024, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

**INSTRUCTIONS FOR REMOTE E-VOTING FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*





**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the " <b>Beneficial Owner</b> " icon under " <b>Login</b> " which is available under ' <b>IDeAS</b> '

	<p>section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <ol style="list-style-type: none"> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  <b>App Store</b>       <b>Google Play</b></div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi Tab and then user your existing myeasi username &amp; password.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting</b></li> </ol>

	<p><b>service provider i.e. NSDL.</b> Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi / Easiest, option to register is available at  <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
  - Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nSDL.com](http://www.evoting.nSDL.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nSDL.co.in](mailto:evoting@nSDL.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.

9. After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the 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 the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please update the email address by providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) or any other relevant documents by way of an email to RTA at [xlfield@gmail.com](mailto:xlfield@gmail.com)
2. In case shares are held in demat mode, please contact your Depository Participant and update your e-mail address as per the process advised by your DP. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company’s email address [cs@medinovaindia.com](mailto:cs@medinovaindia.com) on or before 5:00 p.m. (IST) August 31, 2024. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
6. Members who would like to express their views/ ask questions as a speaker at the Meeting may preregister themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [cs@medinovaindia.com](mailto:cs@medinovaindia.com) between **August 29, 2024 (9:00 a.m. IST) and August 31, 2024 (5:00 p.m. IST)**. **Only those members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.** The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Members who need assistance before or during the AGM can reach out NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), contact at 1800-222-990 or 022-24994890.



8. Only those Members/ shareholders, who will be present in the e-AGM through Video Conference facility and have not casted their vote through remote e-Voting are eligible to vote through e-Voting in the e-AGM and they can exercise their vote while they are connected in the Video Conference by following the guidelines provided therein. However, members who have voted through Remote e-Voting will be eligible to attend the e-AGM.

**By the Order of the Board  
For Medinova Diagnostic Services Limited**

Date: June 21, 2024  
Place: Hyderabad

**Hansraj Singh  
Company Secretary & Compliance Officer  
M. No. F11438**

### EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 and additional information as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder.

#### **Item No. 4**

The present term of appointment of Mr. Sunil Chandra Kondapally (DIN: 01409332) as Managing Director of the Company expires on September 24, 2024. The Board of Directors at its meeting held on April 26, 2024, basis on the recommendation of the Nomination & Remuneration Committee had approved the re-appointment of Mr. Sunil Chandra Kondapally (DIN: 01409332) as Managing Director of the Company for a further period of five (5) years subject to the approval of members, with effect from September 25, 2024, without any remuneration/perquisites payable to him.

Mr. Sunil Chandra Kondapally is related to Dr. Sura Surendranath Reddy and Ms. B. Vishnu Priya Reddy, directors of the Company.

Brief resume of Mr. Sunil Chandra Kondapally, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations and as per Secretarial Standards-2, are given in Annexure to the notice.

Except, Mr. Sunil Chandra Kondapally, being the appointee, Dr. Sura Surendranath Reddy, Non-Executive Chairman and Mrs. B Vishnu Priya Reddy, Non-Executive Director, none of the other directors, Key Managerial Personnel of the Company or their relatives, are concerned or interested, financially or otherwise, in the passing of the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution as set out at Item no. 4 of the Notice for approval of the Members.

#### **Item No. 5**

Mr. Ravi Kumar Reddy Kanamatareddy, (DIN:10663314), was appointed as an Additional Director of the Company, under the category of Independent Director with effect from June 21, 2024, pursuant to the provisions of Sections 149, 150, 152, 160, 161, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 as well as other Rules made thereunder and pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Articles of Association of the Company and based on the recommendation and approval of the Board of Directors of the Company.

Further, Mr. Ravi Kumar Reddy Kanamatareddy has confirmed that he is not disqualified to act as a Director in terms of Section 164 of the Act and he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority and he is in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Given his expertise, knowledge and experience, the Board is of the opinion that it would be in the interest of the Company to avail his services as an Independent Director of the Company and his continuation on the Board of the Company as an Independent Director and he has given his consent to act as a Director of the Company.

Brief resume of Mr. Ravi Kumar Reddy Kanamatareddy, nature of his expertise in specific functional areas, name of Companies in which he holds directorships and memberships / chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations and Secretarial Standards – 2 are given in Annexure to the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 5 of this AGM Notice.

The Board recommends the Special Resolution as set out at Item no. 5 of the Notice for approval of the Members.

**Annexure to Notice**

Information provided pursuant to requirements given under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting in respect of individuals proposed to be appointed/ re-appointed as Director(s):

Name of Director	<b>Mr. Sunil Chandra Kondapally</b>	<b>Mr. Ravi Kumar Reddy Kanamatareddy</b>
Director Identification Number	01409332	10663314
Date of Birth & Age	20-07-1975 49 years	27-03-1961 63 years
Date of first Appointment	25-09-2014	21-06-2024
Qualification	He holds a bachelor's degree in science & electrical engineering from Florida State University.	Mr. Ravi Kumar Reddy Kanamatareddy holds degree in Bachelor of Architecture from Jawaharlal Nehru Technological University (JNTU) and has a Post Graduate Diploma in from CEPT University.
Designation/ Category	Managing Director/Executive Director	Non-executive, Independent Director
Terms & Conditions of Appointment/Re-Appointment along with Remuneration sought to be paid	Being re-appointed as a Managing Director for a term of 5 years without any remuneration.	Being appointed as Non-executive, Independent Director not liable to retire by rotation for a period of 5 years. No remuneration is being paid except sitting fee for attending Board & Committee meetings.
Remuneration paid for FY 2023-24	Nil	Not applicable
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Sunil Chandra Kondapally is related to the following: 1. Dr. Sura Surendranath Reddy, Chairman – Father 2. Ms. B. Vishnu Priya Reddy, Non-executive Director – Spouse	There is no inter-se relationship between Mr. Ravi Kumar Reddy Kanamatareddy and other Directors and KMPs.
Brief resume and expertise in specific functional area	He has over 17 years of experience in the field of pharmaceutical industry. He founded a pharmaceutical services company Trikona Pharmaceuticals Private Limited in 2016 and QPS Bioserve India Private Limited in 2004 and, which focuses on the development of innovative pharma chemical products.	He has received several recognitions from well-known institutions like FIIA and FITP. He is retired after working 15 years for IBM India Pvt. Ltd. as Systems Architect. He has several publications in IIA Journal, ITPI Journal and various Conference publications and IEEE.
Directorships held in other Companies as on March 31, 2024	He holds Directorship in below mentioned Companies: 1. Vijaya Diagnostic Centre Limited 2. P H Diagnostic Centre Private Limited 3. Kshetra Agritech Private Limited 4. Summit Nutraceuticals Private Limited 5. Trikona Pharmaceuticals Private Limited 6. Vijaya Hospitals Private Limited	Nil

Chairman / Member of the Committee of the Board of Directors of the Company	Nil	Not applicable
No. of Board Meetings attended during the financial year	Three (3)	Not applicable
Chairman / Member of the Committee of the Board of Directors in other Companies as on March 31, 2024*	Vijaya Diagnostic Centre Limited: 1. Stakeholders Relationship Committee – Member 2. Risk Management Committee – Chairman & Member 3. Corporate Social Responsibility Committee – Member	Not applicable
No. of Equity Shares of ₹10/- held in the Company as on March 31, 2024	Nil	Nil
Names of Listed Entities from which the director has resigned during last three years	Nil	Nil

\*Private companies, Section 8 companies and foreign companies are not included.

**BOARD'S REPORT**

**Dear Members,**

The Board of Directors is pleased to present the Thirty-first (31<sup>st</sup>) Annual Report on the business and operations of Medinova Diagnostic Services Limited ('the Company' or 'MDSL') your Company along with the audited financial statements for the financial year ended March 31, 2024.

**FINANCIAL HIGHLIGHTS:**

The financial performance of your Company for the year ended March 31, 2024, is summarized below:  
(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total Income	803.90	799.11	1036.34	1021.81
Total Expenses	702.23	712.04	808.45	831.80
Profit before Tax	101.67	87.07	227.89	190.01
Total Tax Expenses	26.40	24.07	28.00	23.49
Profit after Tax	75.27	63.00	199.89	166.52
EPS (in ₹)	0.75	0.63	2.00	1.67

**FINANCIAL PERFORMANCE REVIEW:****STANDALONE**

During the year under review, the Company generated total income of ₹803.90 Lakhs as compared to ₹799.11 Lakhs in the previous year. The operations resulted in a net profit after tax of ₹75.27 Lakhs as against net profit after tax of ₹63 Lakhs in the previous year.

**CONSOLIDATED**

During the year under review, the Company generated total income of ₹1036.34 Lakhs as against ₹1021.81 Lakhs in the previous year. The operations resulted in a net profit after tax of ₹199.89 Lakhs as against net profit after tax of ₹166.52 Lakhs in the previous year.

**CONSOLIDATED FINANCIAL STATEMENTS:**

The Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, are prepared in accordance with the applicable provisions of Companies Act 2013 ("Act"), Indian Accounting Standards ("Ind-AS") and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations"). The consolidated financial statements have been prepared based on audited financial statements of the Company and its subsidiaries as approved by their respective Board of Directors.

**DIVIDEND:**

The Board has not recommended any dividend for the year financial year 2023-24.

**TRANSFER TO GENERAL RESERVES:**

During the year under review, the Company has not transferred any amount to reserves.

**SHARE CAPITAL:**

During the financial year 2023-24, there was no change in the authorised, subscribed, issued and paid-up

share capital of the Company. As on March 31, 2024, the paid-up share capital of the Company stood at ₹9,98,16,400/- divided into 99,81,640 equity shares of ₹10/- each.

#### **SUBSIDIARY COMPANIES:**

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 considered as a subsidiary being a body corporate.

Pursuant to proviso to Section 129(3) of the Act, a statement containing the brief details of performance and financials of the Subsidiary LLP for the financial year ended March 31, 2024 is attached as **Annexure-A** and forms part of this Report.

None of the Companies have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year under review.

The annual financial statements of the subsidiary company will be made available to the members of the Company seeking such information and the same are available at the website of the Company [www.medinovaindia.com](http://www.medinovaindia.com) under Investors' section.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sunil Chandra Kondapally (DIN:01409332), will retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for reappointment.

A brief profile of Mr. Sunil Chandra Kondapally and other related information is detailed in the Notice convening the 31<sup>st</sup> AGM of your Company.

The Company has received declarations / confirmations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Companies Act and Listing Regulations. Further all the Independent Directors have confirmed that their respective names have been included in the Independent Director's Database as required under Section 150 of the Companies Act 2013.

In the opinion of the Board, Independent Directors fulfill the conditions specified in the Companies Act and Listing Regulations and are independent from management.

#### **CHANGES IN COMPOSITION OF DIRECTORS AND KMP:**

- i. Mr. K V Ravindra Reddy, Independent Director of the Company completed his tenure as Independent Director and retired from the Board of the Company w.e.f. March 31, 2024.
- ii. Mr. Ravi Kumar Reddy Kanamatareddy was appointed as an additional director in the category of Non-executive Independent Director w.e.f. June 21, 2024.
- iii. Mr. Madhava Reddy Beeravelli, resigned from the post of Chief Financial Officer w.e.f. December 21, 2023.
- iv. Mr. Nikhil Rajmal Jain was appointed as the Chief Financial Officer w.e.f. January 31, 2024.

Except as stated above, there were no changes in Directors and Key Managerial Personnel of the Company during the year under review.



**MEETINGS OF BOARD:**

During the year under review, the Board of Directors met Four (4) times. The composition of directors, their attendance and other details are as follows:

Date of Board Meeting(s)	Name of the Directors				
	Mr. K V Ravindra Reddy	Dr. Sura Surendranath Reddy	Mrs. B. Vishnu Priya Reddy	Mr. K. Sunil Chandra	Mr. P Kamalakar Rao
	(Whether attended "Yes/No")				
May 17, 2023	No	Yes	Yes	Yes	Yes
July 28, 2023	Yes	Yes	Yes	Yes	No
November 02, 2023	Yes	Yes	Yes	Yes	Yes
January 31, 2024	Yes	Yes	Yes	No	Yes

**ANNUAL EVALUATION OF BOARD'S PERFORMANCE:**

Pursuant to the provisions of the Companies Act and the Listing Regulations, the Board has carried out the annual performance evaluation of the Directors including Independent Directors, Board as a whole and Committees of the Board.

Questionnaire(s) for the purpose of evaluation have been framed on various parameters for each of the categories. These include quantitative questions along with an option to provide feedback for overall performance. Evaluation has been carried out by way of assigning the relevant rating in the range of 1-5 in the questionnaire(s).

The evaluation criteria for the Directors other than Independent Directors include adequate knowledge, competency, business & functional knowledge, leadership abilities, Professional conduct integrity etc. Evaluation criteria for Independent Directors include additional parameters such as independent judgement, independence, conflict of interest etc. Evaluation criteria for Committees of the Board include composition of committees, adequate representation of independent directors in the committees, recommendations of the Committees to the Board, terms of references of the Committees etc. Evaluation criteria for performance of the Board as a whole includes Composition of Board, Board process, corporate governance, disclosures etc.

Further Independent directors had separately met to evaluate the performance of Non Independent Directors, Board as a whole, Chairperson and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

The Directors expressed their satisfaction with the evaluation process.

**COMMITTEES OF THE BOARD****AUDIT COMMITTEE:**

The Company has in place an Audit Committee in terms of the requirements of the Companies Act, 2013 read with the Rules made thereunder.

As on March 31, 2024, the composition of Audit Committee was as follows:

- |                                |   |          |
|--------------------------------|---|----------|
| 1. Mr. P Kamalakar Rao         | - | Chairman |
| 2. Mr. KV Ravindra Reddy       | - | Member   |
| 3. Dr. Sura Surendranath Reddy | - | Member   |

The Compliance Officer of the Company acts as the Secretary of the Audit Committee.

The Audit Committee met 4 (four) times during the FY 2023-24 and the details of attendance of the meetings are as given hereunder;

Date of Audit Committee Meeting(s)	Name of the Members		
	Mr. P Kamalakar Rao (Chairman)	Mr. KV Ravindra Reddy (Member)	Dr. Sura Surendranath Reddy (Member)
	(Whether attended "Yes/No")		
May 17, 2023	Yes	No	Yes
July 28, 2023	No	Yes	Yes
November 02, 2023	Yes	Yes	Yes
January 31, 2024	Yes	Yes	Yes

#### NOMINATION AND REMUNERATION COMMITTEE:

The Company has in place Nomination and Remuneration Committee in terms of the requirements of the Companies Act, 2013 read with the Rules made thereunder.

As on March 31, 2024, the composition of Nomination and Remuneration Committee was as follows:

1. Mr. KV Ravindra Reddy - Chairman
2. Mr. P Kamalakar Rao - Member
3. Dr. Sura Surendranath Reddy - Member

The Nomination and Remuneration Committee met 2 (two) times during the FY 2023-24 and the details of attendance of the meetings are as given hereunder;

Date of Nomination Remuneration Committee Meeting(s)	Name of the Members		
	Mr. KV Ravindra Reddy (Chairman)	Mr. P Kamalakar Rao (Member)	Dr. Sura Surendranath Reddy (Member)
	(Whether attended "Yes/No")		
May 17, 2023	No	Yes	Yes
January 31, 2024	Yes	Yes	Yes

#### STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has in place a Stakeholders Relationship Committee in terms of the requirements of the Companies Act, 2013 read with the Rules made thereunder.

As on March 31, 2024, the composition of Stakeholders Relationship Committee was as follows:

1. Mr. KV Ravindra Reddy - Chairman
2. Mr. P Kamalakar Rao - Member
3. Dr. Sura Surendranath Reddy - Member

The Stakeholders Relationship Committee met 2 (two) times during the FY 2023-24 and the details of attendance of the meetings are as given hereunder;

Date of Stakeholders Relationship	Name of the Members		
	Mr. KV Ravindra Reddy (Chairman)	Mr. P Kamalakar Rao (Member)	Dr. Sura Surendranath Reddy

Committee Meeting(s)	(Member)		
	(Whether attended "Yes/No")		
May 17, 2023	No	Yes	Yes
January 31, 2024	Yes	No	Yes

#### **VIGIL / WHISTLE BLOWER MECHANISM:**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, a Whistle Blower Policy for directors, employees and other stakeholders to report genuine concerns has been established. The same has been uploaded on the website of the Company and the web-link is <http://www.medinovaindia.com/investors.php>

#### **PUBLIC DEPOSITS:**

During the year under review, the Company has neither accepted nor renewed any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with Companies (Acceptance of Deposits) Rules, 2014.

#### **LOANS, GUARANTEES AND INVESTMENTS:**

The details of loans, guarantees/securities and investments by the Company, are provided in Notes to financial statements in terms of provisions of Companies Act and Listing Regulations.

#### **RELATED PARTY TRANSACTIONS:**

All the related party transactions entered into during the financial year were on arm's length basis and in ordinary course of business. There are no materially significant related party transactions made by the Company during the financial year under review. Accordingly, disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act in prescribed format Form AOC-2 is not applicable.

The Board has approved a policy for related party transactions and the said policy is available at website of the Company at <http://www.medinovaindia.com/investors.php>

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis ('MDA') Report detailing the overall industry structure, developments, performance and state of affairs of the Company's business, risks and concerns and other material developments during the Financial Year is annexed herewith as **Annexure-B** and forms an integral part of this Annual Report.

#### **CORPORATE GOVERNANCE:**

Pursuant to Regulation 15 of Listing Regulations, provisions relating to reporting on Corporate Governance as part of Annual Report of the Company, are not applicable to the Company.

#### **COST RECORDS:**

During the year under review, maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 is not applicable to the Company.

**AUDITORS:****a) Statutory Auditors**

M/s. M. Anandam & Co., Chartered Accountants, Secunderabad, (Firm Registration No. 000125S), Chartered Accountants, were appointed as Statutory Auditors of the Company at the 28<sup>th</sup> Annual General Meeting held on August 04, 2021 for a period of 5 years commencing from the conclusion of 28<sup>th</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting to be held in the year 2026. The firm has consented and confirmed that the appointment is within the limit specified under section 141(3)(g) of the Companies Act, 2013. The Statutory Auditors have also confirmed that they are not disqualified to be appointed as such in terms of the proviso to Section 139(1), 141(2) and 141(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

The Audit Report of M/s. M. Anandam & Co., on the Financial Statements of the Company for the Financial Year 2023-24 is part of this Annual Report and the report does not contain any qualification, reservation, adverse remark or disclaimer. Further the Auditor's Report being self-explanatory does not call for any further comments from the Board of Directors.

The Auditors have not reported any frauds to the Audit Committee as prescribed under Sec. 143(12) of the Companies Act, 2013.

**b) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors appointed Mr. D. Balarama Krishna, Practicing Company Secretary, Hyderabad as Secretarial auditor to undertake the Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report is available as **Annexure-C** to this report.

There are no qualifications, reservation or adverse remark made in the Secretarial Audit Report.

**c) Internal Auditors**

Mr. R. Jaipal Reddy was the Internal Auditor of the Company. However, he has resigned w.e.f. June 1, 2024, and thereupon ceased to be the Internal Auditor.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are as follows:

**A. Conservation of Energy**

The operations of your company do not consume high levels of energy. In its endeavour towards conservation of energy your Company ensures optimal use of energy, avoid wastages and endeavours to conserve energy as far as possible.

**B. Technology Absorption**

Your Company has not carried out any research and development activities and haven't absorbed any technology during the year under review.

**C. Foreign Exchange Earnings and outgo: Nil****ANNUAL RETURN:**

A copy of the Annual Return as required under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013 has been placed on the Company's website. The web-link as required under the Act is <http://www.medinovaindia.com/investors.php>

**RISK MANAGEMENT:**

Your Company periodically assess the various elements and also procedures to mitigate such risk, from time to time. As on date of this report, your Company doesn't foresee any critical risk, which threatens its existence. The details of the risks concerning the Company are included in the Management Discussion and Analysis Report.

**INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:**

Your Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

**POLICY ON NOMINATION AND REMUNERATION:**

In compliance with the requirements of Section 178 of the Act, the Company has laid down a Nomination and Remuneration Policy which has been uploaded on the Company's website. The web-link as required under the Act is <http://www.medinovaindia.com/investors.php>

The salient features of the NRC Policy are as under:

- (1) Setting out the objectives of the Policy
- (2) Appointment and removal of Directors, KMP and Senior Management
- (3) Remuneration for the Executive Directors, KMP, Senior Management Personnel & other employees
- (4) Remuneration to Non-Executive / Independent Directors

**PARTICULARS OF EMPLOYEES:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure-D**.

There were no employees who had drawn remuneration in excess of the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2023-24.

**CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 relating to corporate social responsibility are not applicable to the Company in the reporting financial year.

**SIGNIFICANT AND MATERIAL ORDERS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

**NATURE OF BUSINESS AND MATERIAL CHANGES:**

There is no change in the nature of business carried on by the Company during the year under review.

There are no Material Changes and Commitments affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this Report.

**DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has constituted Internal Complaints Committee for Redressal of complaints on sexual harassment. During the year, the Company had not received any complaint on sexual harassment and no complaint was pending as on March 31, 2024.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, your Directors, to the best of their knowledge and ability, 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) we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for the year ended on that date;
- c) we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) the Company had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**DISCLOSURE RELATED TO INSOLVENCY AND BANKRUPTCY:**

During the year under review, there is no application made and/or no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

**DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**



During the year under review, the Company has not made any settlement with its bankers for any loan(s) / facility(ies) availed or / and still in existence.

**ACKNOWLEDGMENT:**

Your Directors place on record their sincere appreciation and thanks for the valuable cooperation and support received from the employees of the Company at all levels, Company's Bankers, Associates, partners, clients, vendors, and Members of the Company and look forward for the same in equal measure in the coming years.

**By the Order of the Board  
For Medinova Diagnostic Services Limited**

Date: June 21, 2024  
Place: Hyderabad

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

**Annexure-A****FORM NO. AOC-1**

Statement containing salient features of the financial statements of subsidiary as on March 31, 2024

**Name of the Subsidiary: Medinova Millennium MRI Services LLP**

<b>Details</b>	<b>(Amount ₹ in lakhs)</b>
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as holding company
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not applicable
Capital	230.27
Reserves	(39.33)
Total Assets	237.12
Total Liabilities	46.18
Turnover	248.59
Profit/(Loss) before taxation	126.22
Deferred tax expenditure/(credit)	1.61
Profit/(Loss) after taxation	124.61
Proposed dividend	-
% of shareholding	100
Investment	-

**By the Order of the Board  
For Medinova Diagnostic Services Limited**

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

Date: June 21, 2024  
Place: Hyderabad

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and developments

The Indian healthcare sector has become a major contributor to India's growth and employment, covering diverse segments like hospitals, medical devices, clinical trials, telemedicine, medical tourism, health insurance and medical equipment. The Indian diagnostics industry has emerged as a preferred play within the expanding healthcare landscape, driven by attractive margins and significant growth potential.

The diagnostic industry is growing steadily in India and is expected to grow at a CAGR of approximately 5% to 7% over the next five years. The Indian home healthcare market size was valued at USD 8.8 billion in 2022. It is expected to expand at a compound annual growth rate (CAGR) of 19.29 per cent from 2023 to 2030. The diagnostic equipment segment is expected to register the fastest CAGR of 20.27 per cent during the forecast period.

Digital advances in healthcare are further set to embrace voluminous growth in the upcoming years. For instance, the Internet of Things (IoT) has brought in a new wave of digital transformation. Particularly, manufacturers of medical devices are adopting IoT as a tool to improve operational efficiency and offer real-time insights based on patient data.

The Diagnostic industry is on the brink of transformative changes in 2024, driven by cutting-edge technologies and a commitment to improving patient outcomes. The integration of artificial intelligence, the rise of point-of-care testing, advancements in liquid biopsy technology, digital health platforms and the expanding applications of genomic medicine are shaping a future where diagnostics is not only more accurate but also more accessible and patient centric. As these trends unfold, they hold the promise of revolutionizing how we approach disease detection and management, ultimately paving the way for a healthier and more connect world.

### Opportunities and Threats

As the diagnostic market continues to evolve, companies that can adapt to changing trends and provide valuable solutions will be well-positioned to capitalise on these opportunities. Due to the increased reliance of medical experts and professionals on the diagnostics segment to validate, accurately diagnose the illnesses, and provide the necessary treatment protocols, as well as the shift in consumer psyche and preference who are now extra cautious about their health and well-being, have also helped the diagnostic industry solidify its position as a key component of the healthcare segment.

With new competitors entering the diagnostic market, such as health tech companies, large conglomerates, reputable pharmaceutical companies, and startups, there has been a significant level of disruption in both the B2C and B2B market segments. These competitors tried to increase their revenue share in the diagnostic industry by using 'price' as a crucial differentiator.

The introduction of newer wearables and self-monitoring tools such as glucometers, oximeters, and technologically advanced devices pose strong challenges to the diagnostics sector.

### Outlook

Healthcare is expected to remain a major contributor to the economy in the coming years as various policies, innovations and investments are anticipated to shape the industry's future impacting economic growth. The increasing focus on digital health solutions, telemedicine and other technological advancements in the healthcare industry has opened new avenues for growth and innovation.

Private healthcare players will continue to play a critical role in the industry as they continue to provide healthcare services to more than 70% of the country's rural population and 80% of the urban population.

The Indian diagnostic sector has experienced steady double-digit growth, estimated at around 12-14%. This growth is fueled by factors such as rising awareness of preventive and diagnostic testing, alongside technological advancements and the growing geriatric population in India.

The sector is witnessing a significant impact from technological advancements such as AI, wearables and other mobile technologies, along with Internet of Things, are expected to take the healthcare services to the next level.

### Risks and concerns

**Competition Risk:** The Company faces intense competition from new players including large conglomerates, hospital chains, pharma companies, health tech platforms and startup companies, which may weaken the outlook, slow down growth, and put price pressures to bring margin and return ratios under stress.

To mitigate this risk, the Company emphasizes redefining its cost-base to neutralize some of the stress on returns.

**Technological Risk:** The Company operates in a highly technology-driven market. Technological advancements in the field may result in a decline in demand for the Company's products and services.

To mitigate this risk, the Company focuses on offering tests which are more accurate and economical, as compared to those available in the market.

**Skilled Manpower Shortage Risk:** The Company's success depends on its ability to find and retain outstanding employees, and failing to do so could significantly harm its performance.

To mitigate this risk, the Company focuses on an engaging HR practice and strives to make it a desirable place to work.

### Internal control systems and their adequacy

The Company has an efficient internal control system in place. The policies and procedures, covering financial and operating functions, are also documented. The system controls are designed to provide reasonable assurance for maintaining proper accounting records. This reinforces reliability of financial reporting, monitoring of operations, and protection of assets from unauthorized use or losses and compliance of regulations.

The scope and coverage of audits include:

- Reviewing and reporting of key process risks
- Adhering to operating guidelines and statutory compliances
- Recommending improvements for monitoring and enhancing efficiency of operations
- Ensuring reliability of financial and operational information

The Audit Committee periodically monitors and reviews the significant internal audit observations. It also reviews compliance with accounting standards, risk management and control systems.

### Human Resource

'Human Resources' are recognized as a key pillar of any successful organization and so is for Medinova. The company puts constant efforts in recruiting and training the employees and ensures to bring out the best of them. The company adopts an HR policy and ensures that all the employees are aware of personnel policies. The needs of the employees are addressed with high importance and efforts are made to provide a highly challenging and healthy environment. Besides all these, the company places high emphasis on professional etiquette required of every employee. As on March 31, 2024 the number of employees employed are 58.

### Financial Performance of the Company

During the year under review, on standalone basis, the Company generated total revenue from operations of ₹778.12 lakhs as compared to ₹775.83 lakhs in the previous year from the business operations. The operations resulted in a net profit after tax of ₹75.27 Lakhs as against net profit after tax of ₹63.00 lakhs in the previous year.

The Company achieved consolidated revenue from operations of ₹1016.52 Lakhs as against ₹999.30 Lakhs in the previous year. The Company has earned a consolidated net profit after tax of ₹199.89 Lakhs as against net profit after tax of ₹166.52 Lakhs in the previous year.

### Key Financial Ratios

In accordance with the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios. The company has identified the following ratios as Key Financial Ratios:

Particulars	FY 2024	FY 2023	Reason for variance
Inventory Turnover Ratio (in times)	8	10	-
Debtors Turnover Ratio (in times)	3.49	2	This ratio has increased from 2 in March 2023 to 3.49 in March 2024 mainly due to decrease in credit sales and trade receivables.
Current Ratio (in times)	0.40	0.47	-
Interest Coverage Ratio (in times)	2.77	2.51	-
Debt Equity Ratio*	--	--	-
Debt Service Coverage Ratio (in times)	1.09	2.50	The ratio has changed from 2.5 in March 2023 to 1.09 in March 2024 mainly due to increase in profit after tax and part repayment of the loan.
Operating Profit margin (%)	18.71	18.67	-
Net Profit margin (%)	9.67	8.12	-
Return on net worth (%)**	--	--	-

\*Since the total equity is negative, ratio is not given.

\*\*Net worth of the company is negative.

### Cautionary statement

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable laws and regulations. Such statements represent the intention of the Management and the efforts being put into place by them to achieve certain goals. These assertions are predicated on a number of assumptions and future activities. Since the Company's operations are impacted by several internal and external factors outside of its control, actual results could significantly differ from those stated or inferred. Any forward-looking statement published here only speaks as of the date it was made and only reflects the Company's current intentions, beliefs, or assumptions. The Company disclaims any obligation to update or modify any forward-looking statements, whether as a result of new data, unexpected developments, or other factors. Readers are urged to use their best judgement when determining the risks connected to the Company.

**By the Order of the Board  
For Medinova Diagnostic Services Limited**

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

Date: June 21, 2024  
Place: Hyderabad

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2024*

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Medinova Diagnostic Services Limited  
CIN: L85110TG1993PLC015481  
Hyderabad.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Medinova Diagnostic Services Limited (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Medinova Diagnostic Services Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Medinova Diagnostic Services Limited for the financial year ended on 31<sup>st</sup> March 2024, according to the provisions of:
  - 1.1. The Companies Act, 2013 (the Act) and the rules made there under;
  - 1.2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - 1.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - 1.4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;  
**[NOT APPLICABLE AS THERE IS NO FOREIGN INVESTMENT IN/BY THE COMPANY]**
  - 1.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
    - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - 1.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - 1.5.3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[NOT APPLICABLE AS THERE WAS NO FRESH ISSUE OF CAPITAL DURING THE YEAR]**
    - 1.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **[NOT APPLICABLE AS THERE WAS NO STOCK OPTION GIVEN TO THE EMPLOYEES]**



- 1.5.5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **[NOT APPLICABLE AS THERE WAS NO NON-CONVERTIBLE SECURITIES LISTED ON THE STOCK EXCHANGE]**
  - 1.5.6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - 1.5.7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[NOT APPLICABLE AS THERE WAS NO DELISTING OF EQUITY SHARES DURING THE YEAR]** and
  - 1.5.8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[NOT APPLICABLE AS THERE WAS NO BUYBACK OF SECURITIES BY THE COMPANY DURING THE YEAR]**
2. I have also examined compliance with the applicable clauses of the following:
    - 2.1. Secretarial Standards issued by The Institute of Company Secretaries of India.
    - 2.2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  3. The Company is engaged in the Business of Medical diagnostic services. Accordingly, the following Industry Specific Acts are applicable to the Company, in view of the Management and as per the Guidance Note issued by the ICSI. Based on the explanation given, there are adequate system and process in the company to monitor and ensure the compliance of following sector specific law, rule, regulation and guidelines:
    - 3.1. Pre-conception and Pre-natal Diagnostic Techniques Act 1994 read with the relevant rules and amendments.
    - 3.2. The West Bengal Clinical Establishments Act 1950.
    - 3.3. Indian Atomic Energy Act 1962 & Atomic Energy (Radiation Protection) Rules 2004.
    - 3.4. Environment (Protection) Act 1986 – Biomedical Wastes (Management and Handling) Rules 2011.
  4. I further report that:
    - 4.1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
    - 4.2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
    - 4.3. All the decisions at the Board and Committee meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
    - 4.4. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
  5. I further report that during the audit period there were following specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

5.1. Mr. Madhava Reddy Beeravelli, Chief Financial Officer (CFO) and KMP of the Company has resigned vide letter dated 20<sup>th</sup> December, 2023 and was relieved from his duties w.e.f. 21<sup>st</sup> December, 2023. Mr Nikhil Rajmal Jain has been appointed as the CFO of the Company in the Board Meeting held on 31<sup>st</sup> January, 2024 with effect from the same date.

**UDIN: F008168F000257626**

Date: 27-04-2024

Place: Hyderabad

**Balarama Krishna Desina**

Proprietor

**Balaramakrishna & Associates**

Company Secretaries in Practice

FCS No.: 8168

C.P. No.: 22414

Peer Review Certificate No. 5448/2024

**Note:** This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report

**ANNEXURE**

To,  
The Members,  
Medinova Diagnostic Services Limited,  
CIN: L85110TG1993PLC015481  
Hyderabad.

Subject: My Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**UDIN: F008168F000257626**

Date: 27-04-2024

Place: Hyderabad

Balarama Krishna Desina  
Proprietor  
Balaramakrishna & Associates  
Company Secretaries in Practice  
FCS No.: 8168  
C.P. No.: 22414  
Peer Review Certificate No. 5448/2024

**Annexure - D**

**Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2023-24**

1. The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Not Applicable as no remuneration has been paid to Directors of the Company including Managing Director other than sitting fee paid to Non-Executive Independent Directors during the year under review.

2. The percentage increase in remuneration of each Director, Chief Financial Officer; Chief Executive Officer, Company Secretary or Manager, if any, in the financial year was – Not Applicable as no remuneration has been paid.
3. The percentage increase in the median remuneration of employees in the financial year was 11.18%.
4. The number of permanent employees on the rolls of the Company as on March 31, 2024, were 58.
5. Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year was 5.47%.

Its comparison with the percentile increase in the managerial remuneration and justification thereof - Not applicable.

Exceptional circumstances for increase in the managerial remuneration - Not applicable.

6. We affirm that the remuneration paid is as per the Remuneration policy of the Company.

**By the Order of the Board  
For Medinova Diagnostic Services Limited**

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

Date: June 21, 2024  
Place: Hyderabad

# **M.ANANDAM & CO., CHARTERED ACCOUNTANTS**

## **Independent Auditor's Report**

**To the Members of Medinova Diagnostic Services Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of **Medinova Diagnostic Services Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### **Information Other than Financial Statements (Other Information)**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

**7 'A', SURYA TOWERS, SARDAR PATEL ROAD, SECUNDERABAD – 500003.  
PHONE: 2781 2377, 2781 2034, FAX:2781 2091**

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,



and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements and the operating effectiveness of such internal financial controls with reference to the standalone financial statements, refer to our separate Report in "Annexure A".

(g) The Company has not paid any remuneration to its directors during the year. Hence the provisions of section 197 of the Act are not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (Refer Note No. 21 of the standalone financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend was declared or paid during the year by the Company, hence, the provisions of section 123 of the Act are not applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. As required by the Companies (Auditor's Report) Order, 2020, ('the Order') issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 0001255)

Madhuri Chimalgi  
Partner  
Membership No.235955

UDIN: 24235955BKCJUV2503

Place: Hyderabad  
Date: 26 April, 2024

**Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

**Opinion**

We have audited the internal financial controls with reference to the standalone financial statements of **Medinova Diagnostic Services Limited** (“the Company”) as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Inherent Limitations of Internal Financial Controls with reference to the standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements to future periods are subject to the risk that the internal financial control with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed

under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

#### **Meaning of Internal Financial Controls with reference to the standalone financial statements**

A company's internal financial control with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 0001255)

Madhuri Chimalgi  
Partner  
Membership No.235955

UDIN: 24235955BKCUV2503

Place: Hyderabad  
Date: 26 April, 2024

**Annexure “B” to the Independent Auditor’s Report**

With reference to Paragraph 2 under ‘Report on Other Legal Regulatory Requirements’ section of our report to the Members of the Company, we report that –

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a program of physical verification of Property, Plant and Equipment so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) The Company does not own immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
  - d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage, frequency and procedure of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed on verification between the physical stocks and the book records were not exceeding 10% or more in the aggregate for each class of inventory.
  - b) The Company was not sanctioned working capital limits in excess of Rs.5 Crore during the year from banks or financial institutions on the basis of security of current assets. Hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. During the year, the Company has not made investments, not provided loans or advances in the nature of loans or not stood guarantee or not provided security in/to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under clause 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of making investments. The Company has not granted loans, or provided guarantees and securities.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the Order is not applicable.



- vii. In respect of statutory dues:
- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
  - b) There are no disputed statutory dues that have not been deposited on account of any dispute by the Company.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. a) The Company has not defaulted in repayment of loans or other borrowings and in the payment of interest thereon to any lender.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c) During the year, the company has not obtained any term loans and hence clause 3 (ix) (c) of the Order is not applicable.
- d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. The Company does not have associates or joint ventures.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not have associates or joint ventures.
- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. a) In our opinion and based on our examination and enquiries with the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act is required to be filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii)(a) to (c) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the

Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

- xv. In our opinion the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- b) The Company is not engaged in any non-banking financial housing finance activities. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.
- c) The Company is not a core investment company as defined in the Regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, the provisions of Section 135 of the Act are not applicable to the Company and hence reporting under clause (xx) (a) and (b) of the Order are not applicable.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 0001255)

Madhuri Chimalgi  
Partner  
Membership No.235955

UDIN: 24235955BKCUV2503

Place: Hyderabad  
Date: 26 April, 2024

**Medinova Diagnostic Services Limited**  
**Standalone Balance Sheet as at March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	4 (a)	97.97	94.49
(b) Intangible assets	4 (b)	3.64	0.40
(c) Financial assets			
(i) Investments	5 (a)	296.82	296.82
(ii) Other financial assets	5 (c)	25.27	25.44
(d) Deferred tax assets (net)	6	50.13	56.54
(e) Non-current tax assets (net)	20 (d)	11.89	11.89
<b>Total non-current assets</b>		<b>485.72</b>	<b>485.59</b>
<b>II Current assets</b>			
(a) Inventories	7	10.22	11.25
(b) Financial assets			
(i) Trade receivables	5 (b)	37.23	67.20
(ii) Cash and cash equivalents	5 (d)	61.20	61.31
(iii) Other financial assets	5 (e)	0.76	0.10
(c) Other current assets	8	6.03	7.88
<b>Total current assets</b>		<b>115.44</b>	<b>147.74</b>
<b>TOTAL ASSETS ( I + II )</b>		<b>601.16</b>	<b>633.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	9 (a)	995.68	995.68
(b) Other Equity	9 (b)	(1,202.28)	(1,278.77)
<b>Total equity</b>		<b>(206.60)</b>	<b>(283.09)</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10 (a)	500.00	575.00
(b) Provisions	12	22.19	27.32
<b>Total non-current liabilities</b>		<b>522.19</b>	<b>602.32</b>
<b>III Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	10 (b)		
Total outstanding dues of micro and small enterprises		3.03	0.58
Total outstanding dues of creditors other than micro and small enterprises		228.79	240.12
(ii) Other financial liabilities	10 (c)	32.77	40.46
(b) Other current liabilities	11	5.92	5.56
(c) Provisions	12	13.16	24.35
(d) Current tax liabilities (net)	20 (d)	1.90	3.03
<b>Total current liabilities</b>		<b>285.57</b>	<b>314.10</b>
<b>Total liabilities ( II + III )</b>		<b>807.76</b>	<b>916.42</b>
<b>TOTAL EQUITY AND LIABILITIES ( I + II + III )</b>		<b>601.16</b>	<b>633.33</b>
Corporate Information	1		
Basis of preparation and measurement and material accounting policies	2&3		

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

**For M. Anandam & Co.**  
Chartered Accountants  
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors of  
**Medinova Diagnostic Services Limited**  
CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**  
Partner  
Membership Number: 235955

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

**Sunil Chandra Kondapally**  
Managing Director  
DIN: 01409332

Place: Hyderabad  
Date: 26 Apr, 2024

**Nikhil Rajmal Jain**  
Chief Financial Officer

**Hansraj Singh Rajput**  
Company Secretary

Place: Hyderabad  
Date: 26 Apr, 2024

## Medinova Diagnostic Services Limited

### Standalone Statement of Profit and Loss for the year ended March , 2024

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>1 Income</b>			
(a) Revenue from operations	13	778.12	775.83
(b) Other income	14	25.78	23.28
<b>Total income</b>		<b>803.90</b>	<b>799.11</b>
<b>2 Expenses</b>			
(a) Cost of materials consumed	15	85.51	115.63
(b) Employee benefits expense	16	173.34	180.59
(c) Testing Fees		60.06	43.03
(d) Finance costs	17	57.40	57.50
(e) Depreciation and amortisation expenses	18	12.30	23.53
(f) Other expenses	19	313.62	291.76
<b>Total expenses</b>		<b>702.23</b>	<b>712.04</b>
<b>3 Profit before tax [1 - 2]</b>		<b>101.67</b>	<b>87.07</b>
<b>4 Tax expense</b>	20		
(a) Current tax		20.39	18.27
(b) Earlier year's tax		0.01	2.01
(c) Deferred tax		6.00	3.79
<b>Total tax expense</b>		<b>26.40</b>	<b>24.07</b>
<b>5 Profit for the year [3 - 4]</b>		<b>75.27</b>	<b>63.00</b>
<b>6 Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
(a) Remeasurement of defined benefit obligations		1.63	1.03
(b) Income-tax relating to above item	20	(0.41)	(0.26)
<b>Other comprehensive income for the year (net of income tax)</b>		<b>1.22</b>	<b>0.77</b>
<b>7 Total comprehensive income for the year [5 + 6]</b>		<b>76.49</b>	<b>63.77</b>
<b>Earnings per equity share (face value of Rs. 10 each, fully paid)</b>			
<b>8</b>	22		
- Basic (in Rs.)		0.75	0.63
- Diluted (in Rs.)		0.75	0.63

Corporate Information

Basis of preparation and measurement and material accounting policies

2&3

The notes referred to above form an integral part of the standalone financial statements

As per our report of even date attached

**For M. Anandam & Co.**  
Chartered Accountants  
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors of  
**Medinova Diagnostic Services Limited**  
CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**  
Partner  
Membership Number: 235955

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

**Sunil Chandra Kondapally**  
Managing Director  
DIN: 01409332

Place: Hyderabad  
Date: 26 Apr, 2024

**Nikhil Rajmal Jain**  
Chief Financial Officer

**Hansraj Singh Rajput**  
Company Secretary

Place: Hyderabad  
Date: 26 Apr, 2024

**Medinova Diagnostic Services Limited**  
**Standalone Statement of Cash Flows for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>101.67</b>	<b>87.07</b>
Adjustments for:		
Depreciation and amortisation expenses	12.30	23.53
Net (gain)/loss on sale of property, plant and equipment	(0.09)	-
Interest income	(1.16)	(3.14)
Provision for credit impaired receivables	18.00	0.01
Liabilities no longer required written back	(4.48)	(9.99)
Finance costs	57.40	57.50
<b>Operating profit before changes in assets and liabilities</b>	<b>183.64</b>	<b>154.97</b>
Changes in working capital items:		
Decrease/(Increase) in trade receivables	11.97	(16.93)
Decrease/(Increase) in inventories	1.03	5.31
Decrease/(Increase) in other financial assets	(0.10)	64.09
Decrease/(Increase) in other tax assets	(10.16)	(11.15)
Decrease/(Increase) in other current assets	1.85	(3.30)
Increase/(Decrease) in trade payables	(4.40)	(73.20)
Increase/(Decrease) in provisions and other liabilities	(15.44)	6.78
Increase/(Decrease) in other financial liabilities	(7.60)	(0.98)
<b>Cash generated from operations</b>	<b>160.79</b>	<b>125.59</b>
Income tax paid	(10.25)	(7.50)
<b>Net cash from operating activities</b>	<b>150.54</b>	<b>118.09</b>
<b>B Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(19.04)	(38.60)
Proceeds from sale of property, plant and equipment	0.11	-
Interest received	0.77	4.71
<b>Net cash used in investing activities</b>	<b>(18.16)</b>	<b>(33.89)</b>
<b>C Cash flows from financing activities</b>		
Borrowing/ (Repayment) of Loan from Holding Company	(75.00)	-
Interest paid	(57.49)	(78.05)
<b>Net cash from/(used in) financing activities</b>	<b>(132.49)</b>	<b>(78.05)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(0.11)</b>	<b>6.16</b>
Cash and cash equivalents at the beginning of the year	61.31	55.15
<b>Cash and cash equivalents at end of the year</b>	<b>61.20</b>	<b>61.31</b>

**Note:**

(a) The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows.

(b) Cash and cash equivalents mentioned above comprise the following:

	As at March 31, 2024	As at March 31, 2023
Cash on hand	1.56	1.06
Balances with banks		
- in current accounts	59.64	60.25
<b>Total cash and cash equivalents (refer note 5(d))</b>	<b>61.20</b>	<b>61.31</b>

**(c) Net Debt Reconciliation**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance of borrowings	575.00	575.00
Add:- Proceeds from borrowings during the year	-	-
Less:- Repayment of borrowings during the year	(75.00)	-
Fair Value Adjustment	-	-
<b>Closing balance of borrowings</b>	<b>500.00</b>	<b>575.00</b>

The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

**For M. Anandam & Co.**  
Chartered Accountants  
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors of  
**Medinova Diagnostic Services Limited**  
CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**  
Partner  
Membership Number: 235955

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

**Sunil Chandra Kondapally**  
Managing Director  
DIN Number: 01409332

Place: Hyderabad  
Date: 26 Apr, 2024

**Nikhil Rajmal Jain**  
Chief Financial Officer

**Hansraj Singh Rajput**  
Company Secretary

Place: Hyderabad  
Date: 26 Apr, 2024

**Medinova Diagnostic Services Limited**  
**Standalone Statement of Changes in Equity for the year ended March 31, 2024**  
 (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**A. Equity Share Capital**

Particulars	Note	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	9(a)	995.68	995.68
Add: Changes in equity share capital during the year		-	-
Balance at the end of the year		995.68	995.68

**B. Other Equity**

Particulars	Reserves and surplus			Total
	General reserve	Securities premium	Retained earnings	
Balance as at April 01, 2023	62.46	51.55	(1,392.79)	(1,278.77)
Profit/(Loss) for the year	-	-	75.27	75.27
Other comprehensive income, net of tax	-	-	1.22	1.22
Total comprehensive income for the year	-	-	76.49	76.49
Balance as at March 31, 2024	62.46	51.55	(1,316.29)	(1,202.28)

Particulars	Reserves and surplus			Total
	General reserve	Securities premium	Retained earnings	
Balance as at April 01, 2022	62.46	51.55	(1,456.56)	(1,342.55)
Profit/(Loss) for the year	-	-	63.00	63.00
Other comprehensive income, net of tax	-	-	0.77	0.77
Total comprehensive income for the year	-	-	63.77	63.77
Balance as at March 31, 2023	62.46	51.55	(1,392.79)	(1,278.77)

As per our report of even date attached

**For M. Anandam & Co.**

Chartered Accountants

ICAI Firm registration number: 000125S

**For and on behalf of the Board of Directors of**

**Medinova Diagnostic Services Limited**

CIN: L85110TG1993PLC015481

**Madhuri Chimalgi**

Partner

Membership Number: 235955

**Dr. Sura Surendranath Reddy**

Chairman

DIN: 00108599

**Sunil Chandra Kondapally**

Managing Director

DIN: 01409332

Place: Hyderabad

Date: 26 Apr. 2024

**Nikhil Rajmal Jain**

Chief Financial Officer

Place: Hyderabad

Date: 26 Apr. 2024

**Hansraj Singh Rajput**

Company Secretary



## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

#### 1 Corporate Information

Medinova Diagnostic Services Limited ('the Company') is a Public limited Company domiciled in India and was incorporated on March, 11, 1993 under the provisions of the Companies Act 2013 applicable in India. The registered office of the Company is located at # 7-1-58, Unit No.1/Flat No. 301, 3rd Floor, Amrutha Business Complex, Ameerpet, Hyderabad - 500 016, Telangana, India. The Company is a subsidiary of Vijaya Diagnostic Centre Limited

The Company is engaged in the business of providing comprehensive range of diagnostic services spanning pathological investigations, radiology & imaging, conventional, specialized lab services and diagnostic cardiology.

#### 2 Basis of preparation and measurement

##### (i) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act under the historical cost convention on an accrual basis except for certain financial instruments, which are measured at fair values, notified under the Act and Rules prescribed thereunder.

The standalone financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The standalone financial statements were approved by the Board of Directors and authorised for issue on 26-04-2024.

##### (ii) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

##### (iii) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities : Measured at fair value or amortised costs
- Net defined benefit (asset)/ liability : Fair value of plan assets less present value of defined benefit obligations
- Borrowings : Amortised cost using effective interest rate method

##### (iv) Use of estimates and judgements

In preparing these standalone financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### *Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 6- Deferred tax assets: whether the company has convincing evidence to recognise deferred tax assets

##### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 26 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 12 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 5 – impairment of financial assets;
- Note 4 - determining an asset's expected useful life and the expected residual value at the end of its life

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

#### (v) Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 29 - Financial instruments

#### (vi) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### Assets

An asset is classified as a current when it is:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current

##### Liabilities

A liability is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- the Company does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

##### Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

#### 3 Summary of material accounting policies

##### A. Revenue recognition

###### i) *Income from diagnostic services*

Revenue from Diagnostic services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis, however for institutional/ organisational customers a credit period of 30 days is given, which is consistent with market practice.

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfer services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Company measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price. Revenue contracts are on principal to principal basis and the Company is primarily responsible for fulfilling the performance obligation.

##### B. Recognition of interest income

Interest income is recognised using the effective interest rate method.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### C. Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

##### D. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial liability or equity instrument of another entity.

###### i) *Initial Recognition and measurement*

Trade receivables are initially recognised when they are originated. Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

###### ii) *Classification and subsequent measurement*

###### **Financial assets**

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**Subsequent measurement:** For the purpose of subsequent measurement, financial assets are categorised as under:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

#### D. Financial instruments (continued)

##### ii) Classification and subsequent measurement (continued)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

##### Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

##### iii) Derecognition

###### Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

###### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

##### iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

#### E. Property, plant and equipment

##### i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

##### ii) Depreciation

Depreciation is provided using the Written down value Method ("WDV") upto 31st December 2022, over the useful lives of the assets as estimated by the Management based on technical evaluation. Depreciation on additions and deletions are restricted to the period of use. Assets costing below Rs. 5,000 are depreciated in full in the same year.

With effect from 1st January 2023, the Company has changed its method of depreciation on all Property, Plant and Equipment from Written Down Value ("WDV") method to Straight Line Method ("SLM"), based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset description	Useful life in years as estimated by the management	Useful life in years as estimated as per schedule II
Leasehold improvements	10	10
Plant & Machinery	5 to 10	5 to 10
Computers	5	3
Furnitures & Fixtures	3 to 5	5 to 10

Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

#### F. Intangible assets

##### i) Recognition and measurement

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

##### ii) amortization

Upto December 31, 2022, amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the "written down value" (WDV) method, and is included in depreciation and amortization in statement of profit and loss.

With effect from 1st January 2023, the Company has changed its method of amortization from Written Down Value ("WDV") method to Straight Line Method ("SLM"), based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the intangible assets.

The estimated useful life is as follows:

- Software - 3 years

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

#### G. Capital work in progress

Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

#### H. Inventories

Inventories comprise of diagnostic kits, reagents, laboratory chemicals and consumables, these are valued at lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any. Cost is determined on First-in-First-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

#### I. Impairment of assets

##### i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

##### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

##### *Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

##### *Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

##### ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

#### I. Impairment of assets (Continued)

##### ii) Impairment of non-financial assets (continued)

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognised.

#### J. Employee benefits

##### (i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### (ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and ESI. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

##### (iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

##### (iv) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by a qualified actuary using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

#### K. Leases

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

##### Company as a Lessor:

Leases for which the Company is a lessor are classified as a finance or operating lease. When ever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases are recognised on straight line basis over the term of relevant lease.

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024

#### K. Leases (Continued)

##### Company as a Lessee:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### L. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

##### (i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

#### M. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for.

##### Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.



## **Medinova Diagnostic Services Limited**

### **Notes to the Standalone Financial Statements for the year ended March 31, 2024**

#### **M. Provision, contingent liabilities and contingent assets (Continued)**

##### ***Contingent liabilities and contingent assets:***

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

#### **N. Earnings per share**

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

#### **O. Statement of Cash Flow**

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

#### **P. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **Q. Investments in subsidiaries**

Investments representing equity interest in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### **R. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

#### **S. Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**Medinova Diagnostic Services Limited**

**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**4 (a) Property, plant and equipment**

Particulars	Leasehold improvements *	Plant and equipment	Furniture and fixtures	Computers	Office equipment	Electrical equipment	Total
<b>A. Gross carrying amount (at cost)</b>							
As at April 01, 2022	29.93	309.62	34.93	18.31	0.14	-	392.93
Additions	11.07	17.99	-	0.59	1.08	7.87	38.60
Deletions	-	-	-	-	-	-	-
As at March 31, 2023	41.00	327.61	34.93	18.90	1.22	7.87	431.53
Additions	1.61	0.82	2.24	0.42	0.27	8.56	13.91
Deletions	-	(0.35)	-	-	-	-	(0.35)
As at March 31, 2024	42.61	328.08	37.17	19.31	1.49	16.42	445.09
<b>B. Accumulated depreciation</b>							
As at April 01, 2022	21.94	244.64	31.60	15.56	0.02	-	313.75
For the year ended	3.77	16.38	0.78	0.87	0.16	1.32	23.29
Deletions	-	-	-	-	-	-	-
As at March 31, 2023	25.71	261.02	32.38	16.43	0.18	1.32	337.04
For the year ended	2.13	5.96	0.24	0.55	0.26	1.28	10.41
Deletions	-	(0.33)	-	-	-	-	(0.33)
As at March 31, 2024	27.84	266.65	32.62	16.99	0.44	2.59	347.12
<b>C. Net carrying amount (A-B)</b>							
As at March 31, 2022	14.77	61.43	4.55	2.33	1.05	13.83	97.97
As at March 31, 2023	15.30	66.59	2.55	2.46	1.04	6.55	94.49

\* Leasehold improvements are the interiors/civil works carried out by the Company at the diagnostic centre taken on lease.

**Medinova Diagnostic Services Limited****Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**4 (b) Intangible assets**

<b>Particulars</b>	<b>Amount</b>
<b>Software</b>	
<b>A. Gross carrying amount (at cost)</b>	
As at April 01, 2022	-
Additions	0.88
Deletions	-
<b>As at March 31, 2023</b>	<b>0.88</b>
Additions	5.13
Deletions	-
<b>As at March 31, 2024</b>	<b>6.01</b>
<b>B. Accumulated amortization</b>	
As at April 01, 2022	0.23
For the year ended	0.25
Deletions	-
<b>As at March 31, 2023</b>	<b>0.48</b>
For the year ended	1.89
Deletions	-
<b>As at March 31, 2024</b>	<b>2.37</b>
<b>C. Net carrying amount</b>	
<b>As at March 31, 2024</b>	<b>3.64</b>
<b>As at March 31, 2023</b>	<b>0.40</b>

**Medinova Diagnostic Services Limited**
**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>5 Financial assets</b>		
<b>(a) Investments</b>		
<b>Non-Current</b>		
<b>A. Subsidiaries</b>		
<b>Investment in Limited Liability Partnership (LLP) [At amortised cost]</b>		
<b>Unquoted</b>		
Medinova Millennium MRI Services LLP	296.82	296.82
[100% (March 31, 2023: 100%) share in capital contribution]		
<b>Total</b>	<b>296.82</b>	<b>296.82</b>
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	296.82	296.82
Aggregate amount of impairment in value of investments	-	-
<b>(b) Trade receivables</b>		
<b>Current</b>		
Unsecured, Considered good *	37.23	67.20
Credit impaired	19.28	1.28
Less: Allowance for doubtful receivables (expected credit loss allowance)	(19.28)	(1.28)
	<b>37.23</b>	<b>67.20</b>

\* Includes amount receivable from related parties (refer note 27)

**As at March 31, 2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	35.09	1.46	0.68	-	-	37.23
(ii) Undisputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	0.19	1.55	17.54	19.28
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-
<b>Total (A)</b>	<b>35.09</b>	<b>1.46</b>	<b>0.87</b>	<b>1.55</b>	<b>17.54</b>	<b>56.51</b>
Expected credit loss rate	-	-	21.84%	100.00%	100.00%	
Loss Allowance - B	-	-	0.19	1.55	17.54	19.28
<b>Carrying amount of trade receivables (C=A-B)</b>	<b>35.09</b>	<b>1.46</b>	<b>0.68</b>	<b>-</b>	<b>-</b>	<b>37.23</b>

**As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	47.74	0.85	1.29	10.70	6.62	67.20
(ii) Undisputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	0.46	0.82	1.28
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>47.74</b>	<b>0.85</b>	<b>1.29</b>	<b>11.16</b>	<b>7.44</b>	<b>68.48</b>
Expected credit loss rate	-	-	0.00%	4.09%	11%	
Loss Allowance - B	-	-	-	0.46	0.82	1.28
<b>Carrying amount of trade receivables (C=A-B)</b>	<b>47.74</b>	<b>0.85</b>	<b>1.29</b>	<b>10.70</b>	<b>6.62</b>	<b>67.20</b>

**Medinova Diagnostic Services Limited**

**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023	
<b>5 Financial assets (continued)</b>			
<b>(c) Other financial assets</b>			
<b>Non-current</b>			
<i>(Unsecured, considered good)</i>			
Security deposits	15.92	16.16	
Deposits having remaining maturity of more than 12 months #	9.35	9.27	
	<b>25.27</b>	<b>25.44</b>	
# Includes Fixed deposit of Rs. 9.35 lakhs towards bank guarantee (March 31, 2023: Rs.9.27 lakhs)			
<b>(d) Cash and cash equivalents</b>			
Cash on hand	1.56	1.06	
Balances with banks			
- in current accounts	59.64	60.25	
	<b>61.20</b>	<b>61.31</b>	
<b>(e) Other financial assets</b>			
<i>(Unsecured, considered good)</i>			
<b>Current</b>			
Interest accrued on bank deposits	0.49	0.10	
Security deposits	0.27	-	
	<b>0.76</b>	<b>0.10</b>	
<b>6 Deferred tax asset/(liabilities) net</b>			
<b>Deferred tax assets</b>			
On account of property, plant and equipment	36.38	43.22	
On account of expenses allowable on payment basis	13.75	13.32	
<b>Deferred tax asset/(liability), net</b>	<b>50.13</b>	<b>56.54</b>	
<b>Movement in deferred tax assets/ (liabilities)</b>			
<b>On account of</b>	<b>Property, plant and equipment and intangible assets</b>	<b>Expenses allowable on payment basis</b>	<b>Total</b>
<b>At April 01, 2022</b>	<b>47.78</b>	<b>12.81</b>	<b>60.59</b>
(Charged)/ credited:			
- to profit or loss	(4.56)	0.77	(3.79)
- to OCI	-	(0.26)	(0.26)
<b>As at March 31, 2023</b>	<b>43.22</b>	<b>13.32</b>	<b>56.54</b>
(Charged)/credited:			
- to profit or loss	(6.84)	0.84	(6.00)
- to OCI	-	(0.41)	(0.41)
<b>As at March 31, 2024</b>	<b>36.38</b>	<b>13.75</b>	<b>50.13</b>
<b>7 Inventories</b>			
<i>(Valued at lower of cost and net realisable value)</i>			
Chemicals, digital imaging films and consumables	10.22	11.25	
	<b>10.22</b>	<b>11.25</b>	
<b>8 Other assets</b>			
<b>Current</b>			
GST Input Tax Credit	0.11	0.11	
Advance for expenses	-	0.49	
Prepaid expenses	5.92	7.28	
	<b>6.03</b>	<b>7.88</b>	

**Medinova Diagnostic Services Limited**
**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>9 Equity</b>		
<b>(a) Equity share capital</b>		
<b>Authorised share capital</b>		
11,000,000 (March 31, 2023: 11,000,000) equity shares of Rs. 10 each	1,100.00	1,100.00
<b>Issued, subscribed and fully paid up capital</b>		
9,981,640 (March 31, 2023: 9,981,640) equity shares of Rs. 10 each, fully paid-up	998.16	998.16
Less : Allotment Money Arrears	2.48	2.48
	<b>995.68</b>	<b>995.68</b>

**i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year**

	March 31, 2024		March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Shares outstanding at the beginning of the year	99,81,640	995.68	99,81,640	995.68
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>99,81,640</b>	<b>995.68</b>	<b>99,81,640</b>	<b>995.68</b>

**ii) Terms and rights attached to equity shares**

Equity shares issued by the Company have par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**iii) Details of shareholders holding more than 5% shares in the company**

	March 31, 2024		March 31, 2023	
	Number of shares	% of total shares	Number of shares	% of total shares
<b>Equity Shares:</b>				
Vijaya Diagnostic Centre Limited (Holding Company)	62,02,220	62.14%	62,02,220	62.14%

As per records the Company including registration of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares. Name of the Holding Company changed to Vijaya Diagnostic Centre Limited with effect from March 26, 2021 (formerly known as Vijaya Diagnostic Centre Private Limited).

**iv) Shares held by Holding Company**

	March 31, 2024	March 31, 2023
<b>Equity Shares:</b>		
Vijaya Diagnostic Centre Limited	62,02,220	62,02,220

**v) Shares held by Promoters at the end of the year**

	March 31, 2024			March 31, 2023		
	Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
<b>Equity Shares:</b>						
Vijaya Diagnostic Centre Limited (Holding Company)	62,02,220	62.14%	-	62,02,220	62.14%	-

**vi) Details of shares issued for consideration other than cash and bonus shares during last five years:**

	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Shares issued for consideration other than cash	-	-	-	-	-
Bonus shares	-	-	-	-	-

**(b) Other equity**

	As at March 31, 2024	As at March 31, 2023
<b>Reserves and surplus</b>		
(i) General reserve	62.46	62.46
(ii) Securities premium	51.55	51.55
(iii) Retained earnings	(1,316.29)	(1,392.78)
	<b>(1,202.28)</b>	<b>(1,278.77)</b>

**Medinova Diagnostic Services Limited****Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**i) General reserve**

	As at March 31, 2024	As at March 31, 2023
Balance at the commencement of the year	62.46	62.46
Add: Movement during the year	-	-
<b>Balance as at the end of the year</b>	<b>62.46</b>	<b>62.46</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**ii) Securities premium**

	As at March 31, 2024	As at March 31, 2023
Balance at the commencement of the year	51.55	51.55
Add: Movement during the year	-	-
<b>Balance as at the end of the year</b>	<b>51.55</b>	<b>51.55</b>

Securities premium is used to record the premium on issue of shares. It will be utilised in accordance with the provisions of the "Act".

**iii) Retained earnings**

	As at March 31, 2024	As at March 31, 2023
Balance at the commencement of the year	(1,392.78)	(1,456.55)
Add: Profit for the year	75.27	63.00
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurement of defined benefit obligations (net of tax)	1.22	0.77
<b>Balance as at the end of the year</b>	<b>(1,316.29)</b>	<b>(1,392.78)</b>

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders. OCI represents remeasurement of defined benefit plans: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified to statement of profit and loss.

<b>Total Other equity (i+ii+iii)</b>	<b>(1,202.28)</b>	<b>(1,278.77)</b>
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**Medinova Diagnostic Services Limited**
**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>10 Financial liabilities</b>		
<b>(a) Non-Current borrowings</b>		
<b>Unsecured</b>		
<b>From related parties</b>		
- from Holding Company	500.00	575.00
	<b>500.00</b>	<b>575.00</b>

**Note:**
**i. Terms of Unsecured loans from related parties:**

(a) Loan from Holding Company is repayable in 3 years from the date of sanction, and the loan carries an interest rate of 10% per annum.

**(b) Trade payables**

Total outstanding dues of micro and small enterprises (refer note 23)

3.03                      0.58

Total outstanding dues of creditors other than micro and small enterprises \*

228.79                  240.12

**231.82                  240.70**

\* Includes amount payable to related parties (refer note 27)

**As at March 31, 2024**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	2.85	0.18	-	-	-	3.03
ii) Others	4.64	31.72	-	0.81	191.63	228.79
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>7.49</b>	<b>31.90</b>	<b>-</b>	<b>0.81</b>	<b>191.63</b>	<b>231.82</b>

**As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i) MSME	-	0.58	-	-	-	0.58
ii) Others	7.65	28.78	1.53	7.69	194.48	240.12
iii) Disputed Dues-MSME	-	-	-	-	-	-
iv) Disputed Dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>7.65</b>	<b>29.36</b>	<b>1.53</b>	<b>7.69</b>	<b>194.48</b>	<b>240.70</b>

**(c) Other financial liabilities**
**Current**

Payable to employees

20.10                      27.70

Interest accrued but not due on borrowings

12.67                      12.76

**32.77                      40.46**
**11 Other liabilities**
**Current**

Statutory liabilities

5.92                      5.56

**5.92                      5.56**
**12 Provisions**
**Non-current**

Provision for employee benefits:

- Gratuity (Refer note 26)

18.68                      23.54

- Compensated absences

3.51                      3.79

**22.19                      27.32**
**Current**

Provision for employee benefits:

- Gratuity (Refer note 26)

9.21                      17.12

- Compensated absences

3.95                      7.23

**13.16                      24.35**



**Medinova Diagnostic Services Limited****Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>13 Revenue from operations</b>		
Sale of services	774.40	772.11
Other operating revenue		
Franchise Management Fee	3.72	3.72
	<b>778.12</b>	<b>775.83</b>
<b>14 Other income</b>		
Interest income on bank deposits	1.16	3.14
Rent received	7.20	7.20
Other non-operating income	17.42	12.94
	<b>25.78</b>	<b>23.28</b>
<b>15 Cost of materials consumed</b>		
Inventory of materials as at the beginning of the year	11.25	16.56
Add: Purchases during the year	84.48	110.32
Less: Inventory of materials as at the end of the year	10.22	11.25
	<b>85.51</b>	<b>115.63</b>
<b>16 Employee benefits expense</b>		
Salaries, wages and bonus	153.63	159.76
Contribution to provident and other funds (refer note 26)	12.06	12.44
Gratuity (refer note 26)	5.48	5.02
Compensated absences	(0.43)	1.25
Staff welfare expenses	2.60	2.12
	<b>173.34</b>	<b>180.59</b>
<b>17 Finance costs</b>		
Interest on borrowings from holding company measured at amortised cost	57.40	57.50
	<b>57.40</b>	<b>57.50</b>
<b>18 Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment	10.41	23.29
Amortisation of intangible assets	1.89	0.25
	<b>12.30</b>	<b>23.53</b>
<b>19 Other expenses</b>		
Power and fuel	19.81	16.71
Rent (refer note (ii) below)	49.97	43.48
Bank charges	3.40	3.34
Repairs and Maintenance		
a. Plant and equipment	37.26	35.93
b. Others	5.44	1.25
House keeping expenses	10.31	7.32
Insurance	0.77	0.74
Rates and taxes	8.54	9.13
Advertisement, publicity and marketing	7.31	6.56
Travelling and Conveyance	11.12	12.50
Legal and professional charges	119.13	117.42
Payment to auditors (refer note (i) below)	3.73	4.13
Postage and communication	10.95	11.23
Printing and stationery	-	0.04
Provision for doubtful receivables	18.00	0.01
Miscellaneous expenses	7.88	8.60
Advance/Deposit written off	-	13.38
	<b>313.62</b>	<b>291.76</b>
<b>Notes:</b>		
<b>i. Payment to auditors (inclusive of taxes)</b>		
Statutory Auditor		
- Statutory Audit Fee (including limited reviews)	3.05	2.95
- Tax Audit Fee	0.68	1.18
	<b>3.73</b>	<b>4.13</b>
<b>ii. Rent includes expense on low value lease of Rs. 3.36 (FY 2022-23, Rs. 1.21) and on short term lease of Rs. 46.61 (FY 2022-23 Rs.42.27)</b>		

**Medinova Diagnostic Services Limited**
**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>20 Income-tax expense</b>		
<b>(a) Amount recognised in statement of profit and loss</b>		
Current tax	20.39	18.27
Earlier year's tax	0.01	2.01
Deferred tax attributable to temporary differences	6.00	3.79
<b>Tax expense</b>	<b>26.40</b>	<b>24.07</b>
<b>(b) Amount recognised in other comprehensive income</b>		
<b>Deferred tax related to items recognised in OCI</b>		
Deferred tax expense/(income) on remeasurements of defined benefit obligations	0.41	0.26
<b>Income-tax expense/(income) recognised in OCI</b>	<b>0.41</b>	<b>0.26</b>
<b>(c) Reconciliation of tax expenses and the accounting profit multiplied by tax rate</b>		
<b>Profit before tax</b>	101.67	87.07
Enacted tax rate in India	25.17%	25.17%
<b>Tax expense at enacted rates</b>	<b>25.59</b>	<b>21.92</b>
<b>Tax effect of:</b>		
Expenses disallowed for tax purpose	14.90	11.29
Allowances for tax purpose	(14.10)	(11.15)
Tax pertaining to earlier years	0.01	2.01
<b>Income-tax recognised in the statement of profit and loss</b>	<b>26.40</b>	<b>24.07</b>
<b>(d) The following table provides the details of income tax assets and income tax liabilities:</b>		
	As at March 31, 2024	As at March 31, 2023
Income-tax assets, net	11.89	11.89
Current tax liabilities, net	(1.90)	(3.03)
	<b>9.99</b>	<b>8.86</b>
	Year ended March 31, 2024	Year ended March 31, 2023
Net current income-tax asset at the beginning of the year	8.86	13.52
Less: Current income tax expense	(20.39)	(18.27)
Less: Tax pertaining to earlier years	(0.01)	(2.01)
Add: Tax paid / (refund received) during the year	21.54	15.62
<b>Net income tax asset at the end of the year</b>	<b>9.99</b>	<b>8.86</b>

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

#### 21 Contingent liabilities and commitments (to the extent not provided for)

##### Contingent liabilities

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts:	Nil	Nil

##### Capital and other commitments

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	Nil	Nil
Other commitments	Nil	Nil

#### 22 Earnings per share

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Earnings for the year</b>		
Net profit for the year attributable to equity shareholders (A)	75.27	63.00
<b>Shares</b>		
Weighted average number of equity shares for Basic EPS (B)	99,81,640	99,81,640
Weighted average number of equity shares for Diluted EPS (C)	99,81,640	99,81,640
<b>(a) Basic earnings per share of face value of Rs. 10 each (A/B)</b>	<b>0.75</b>	<b>0.63</b>
<b>(b) Diluted earnings per share of face value of Rs. 10 each (A/C)</b>	<b>0.75</b>	<b>0.63</b>

#### 23 Dues to micro and small enterprises

The details of Micro and Small Enterprises as defined under the MSMED Act, 2006.

Particulars	March 31, 2024	March 31, 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	3.03	0.58
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the each	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-

**Note:** The list of undertakings covered under MSMED Act was determined by the Company on the basis of information available with the Company and has been relied upon by the auditors.

#### 24 Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows :

- (i) Details of investments made are given in Note 5(a)
- (ii) Loans given by the Company is Nil (as at March 31, 2023: Nil)
- (iii) Guarantees given by the Company is Nil (as at March 31, 2023: Nil)

#### 25 Segment reporting

##### A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segment's results are reviewed regularly by the Company's Chairman and MD to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") evaluates the Company's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the company is presented. The Company's operations fall within a single business segment "Diagnostic services".

##### B. Geographical information

The Company operates within India and therefore there are no assets or liabilities outside India.

##### C. Major customers

Revenue from any single customer of the Company's operating segment does not exceed 10% of the total revenue reported and hence there are no major customers to be disclosed.

**Medinova Diagnostic Services Limited**

**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**26 Employee benefit plans**

The Company has following post employment benefit plans:

**(a) Defined contribution plans**

Contributions were made to provident fund (at the rate of 12% of basic salary) and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the year in the standalone statement of profit and loss towards defined contribution plan is Rs. 12.06 lakhs (March 31, 2023: Rs. 12.44 lakhs).

**(b) Defined benefit plan**

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20.00 lakhs. The gratuity plan is an unfunded plan.

This defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

**i. Reconciliation of the net defined benefit (asset)/ liability**

The amounts recognised in the balance sheet and the movements in the defined benefit obligation and fair value of plan assets over the year are as follows:

The amounts recognised in the balance sheet and the movements in the defined benefit obligation as per the valuation report as at March 31, 2024 are produced in the tables below

**(a) Changes in the Present Value of Obligation**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Present value of obligation as at the beginning</b>	<b>40.65</b>	<b>39.25</b>
Current service cost	2.50	2.62
Interest expense or cost	2.97	2.39
<b>Actuarial (gains) / losses</b>		
- change in demographic assumptions	-	-
- change in financial assumptions	0.14	(1.56)
- experience variance (i.e. Actual experience vs assumptions)	(1.77)	0.52
Benefits paid	(16.62)	(2.58)
<b>Present value of obligation as at end</b>	<b>27.88</b>	<b>40.65</b>

**(b) Bifurcation of Present Value of obligation at the end of the year as per revised Schedule III of the Companies Act, 2013**

Particulars	As at	
	March 31, 2024	March 31, 2023
Current liability (Short-term)	9.21	17.12
Non-current liability (Long-term)	18.68	23.53
<b>Present value of obligation</b>	<b>27.88</b>	<b>40.65</b>

**(c) Expenses Recognised in the Statement of profit and loss**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Current service cost	2.50	2.62
Net interest cost / (income) on the net defined benefit liability / (asset)	2.97	2.39
<b>Expenses recognised in the Statement of profit and loss</b>	<b>5.48</b>	<b>5.02</b>

**(d) Other Comprehensive Income**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	0.14	(1.56)
- experience variance (i.e. Actual experience vs assumptions)	(1.77)	0.52
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(1.63)</b>	<b>(1.03)</b>

**Medinova Diagnostic Services Limited****Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**26 Employee benefit plans (continued)****(b) Defined benefit plan (continued)****ii. Actuarial assumptions**

Principal actuarial assumptions for defined benefit obligation are as follows:

	March 31, 2024	March 31, 2023
Discount rate	7.15%	7.30%
Salary escalation rate	6.00%	6.00%
Attrition rate	15.00%	15.00%

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Attrition rate:** Represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

**iii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

	Increase in assumption by 1%		Decrease in assumption by 1%	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	-3.2%	-2.5%	3.4%	2.7%
Salary escalation rate	3.4%	2.7%	-3.3%	-2.6%
Attrition rate	-0.6%	-0.2%	0.1%	-0.3%

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**iv. Maturity profile of the defined benefit liability**

The weighted average duration of the defined benefit obligation is 3 years (March 31, 2023 - 2026). The expected maturity analysis of defined benefit obligation on an undiscounted basis is as follows:

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
31 March 2024	9.21	19.16	4.38	3.68
31 March 2023	17.12	23.00	7.35	3.47

**Medinova Diagnostic Services Limited**

**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**27 Related party disclosures**

**(a) Details of related parties**

Description of relationship	Name of the related parties
Holding Company	Vijaya Diagnostic Centre Limited (formerly known as Vijaya Diagnostic Centre Private Limited)
Subsidiary	Medinova Millennium MRI Services LLP
Key Management Personnel (KMP)	Dr. Sura Surendranath Reddy, Chairman Sunil Chandra Kondapally, Managing Director Madhava Reddy Beeravelli Chief Financial Officer (Upto December 21, 2023) Nikhil Rajmal Jain, Chief Financial Officer ( w.e.f. January 31, 2024) Hansraj Singh Rajput, Company Secretary (w.e.f February 1st, 2023) Vishnu Priya Reddy Birudavolu (w.e.f August 14th 2019)
Close member of KMP	S.Geetha Reddy (Wife of Dr. Sura Surendranath Reddy, Chairman)
Independent Directors	Kamalaka Rao Ponnappalli (w.e.f November 10th 2014) Ravindra Reddy Venga Reddy Kutagulla (Up to March 31st 2024)

**(b) Details of transactions during the year**

	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Vijaya Diagnostic Centre Limited</b>		
Diagnostic Services-Expense	44.16	34.96
Interest on Loan	57.40	57.50
Loan Repaid	75.00	-
Sale of consumables	-	0.07
Purchase of consumables	-	5.24
Rent Paid	43.54	42.48
Reimbursement of expenses	-	0.13
<b>Medinova Millennium MRI Services LLP</b>		
Advance from subsidiary	-	-
Purchase of services	10.20	3.01
Repayment of Advance	-	1.45
Rent received	8.50	8.50
<b>S.Geetha Reddy</b>		
Rental Deposit	-	1.85
Rent Paid	4.36	1.09
<b>Kamalaka Rao Ponnappalli</b>		
Independent directors sitting fee/commission	0.11	0.11
<b>Ravindra Reddy Venga Reddy Kutagulla</b>		
Independent directors sitting fee/commission	0.11	0.14

**(c) Amounts due (to)/ from related parties**

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured Loan</b>		
Vijaya Diagnostic Centre Limited	500.00	575.00
<b>Interest payable</b>		
Vijaya Diagnostic Centre Limited	12.67	12.76
<b>Rent Payable</b>		
S.Geetha Reddy	0.33	0.33
<b>Creditors for services</b>		
Vijaya Diagnostic Centre Limited	195.97	195.44
Medinova Millennium MRI Services LLP	0.66	0.20
<b>Advance from subsidiary</b>		
<b>Other receivables</b>		
Medinova Millennium MRI Services LLP	0.00	0.65
<b>Investments</b>		
Medinova Millennium MRI Services LLP	296.82	296.82

**Note:**

All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted).

## Medinova Diagnostic Services Limited

### Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

#### 28 Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on equity so as to provide returns to shareholders, benefits to other stakeholders, creditors and to sustain future development and growth of the business. In order to maintain the capital structure, the Company monitors the return on capital as well as debt to total equity ratio. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of debt to total equity, debt includes its long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves. Since the total equity is negative, Gearing ratio is not given.

#### 29 Financial instruments

##### A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	March 31, 2024		March 31, 2023		Fair value level
		Amortised cost	Fair value	Amortised cost	Fair value	
<b>Financial assets</b>						
Investments	5 (a)	296.82	-	296.82	-	Level 3
Trade receivables	5 (b)	37.23	-	67.20	-	Level 3
Security deposits	5 (c)	15.92	-	16.16	-	Level 3
Bank deposits	5 (c)	9.35	-	9.27	-	Level 3
Cash and cash equivalents	5 (d)	61.20	-	61.31	-	Level 3
Other bank balances	5 (e)	-	-	-	-	Level 3
Other financial assets	5 (e)	0.76	-	0.10	-	Level 3
<b>Total financial assets</b>		<b>421.28</b>	<b>-</b>	<b>450.87</b>	<b>-</b>	
<b>Financial liabilities</b>						
Borrowings	10 (a)	500.00	-	575.00	-	Level 3
Trade payables	10 (b)	231.82	-	240.70	-	Level 3
Other financial liabilities	10 (c)	32.77	-	40.46	-	Level 3
<b>Total financial liabilities</b>		<b>764.59</b>	<b>-</b>	<b>856.16</b>	<b>-</b>	

Note: The Company has not disclosed the fair values for financial instruments such as short-term trade receivables or short-term trade payables because their carrying amounts are a reasonable approximation of fair values.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

**Medinova Diagnostic Services Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**  
 (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**29 Financial instruments (continued)**

**B. Financial risk management**

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits and investment in mutual funds.

The Company's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

**i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans.

The Company has no significant concentration of credit risk with any counterparty.

**Trade receivables and loans:**

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

**Expected credit loss (ECL) assessment for individual customers:**

As per simplified approach, the Company makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

	<b>&lt; 365 days</b>	<b>&gt; 365 days</b>	<b>Provision</b>	<b>Total</b>
March 31, 2024	36.55	19.96	(19.28)	37.23
March 31, 2023	48.59	19.89	(1.28)	67.20

Management believes that the unimpaired amounts that are past due by more than 365 days (P.Y. 730 days) are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

**The movement in the allowance for impairment in respect of trade receivables is as follows:**

Balance at the beginning of the year	1.27	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Add: Allowance measured at Lifetime expected credit loss	18.01		1.69
Less: Amounts written off	-		(0.42)
<b>Balance at the end of the year</b>	<b>19.28</b>		<b>1.27</b>

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by credit rating agencies. Investments primarily include investments in subsidiaries.



**Medinova Diagnostic Services Limited**  
**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**  
 (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**29 Financial instruments (continued)**

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The finance team monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash outflows on trade payables and other financial liabilities and any excess/short liquidity is managed in the form of current borrowings and bank deposits and as per the approved frame work.

**Exposure to liability risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

March 31, 2024	Carrying	Total	Contractual cash flows		
			Less than 1 year	1-2 years	2-5 years
Borrowings	500.00	500.00	500.00	-	-
Trade payables	231.82	231.82	231.82	-	-
Other financial liabilities	(467.23)	(467.23)	(467.23)	-	-
	<b>264.59</b>	<b>264.58</b>	<b>264.59</b>	-	-

March 31, 2023	Carrying	Total	Contractual cash flows		
			Less than 1 year	1-2 years	2-5 years
Borrowings	575.00	575.00	-	575.00	-
Trade payables	240.70	240.70	240.70	-	-
Other financial liabilities	40.46	40.46	40.46	-	-
	<b>856.16</b>	<b>856.16</b>	<b>281.16</b>	<b>575.00</b>	-

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**iii. Market risk**

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others which will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Medinova Diagnostic Services Limited**

**Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**30 Disclosure as per Ind AS 115 - Revenue from contracts with customers**

	As at March 31, 2024	As at March 31, 2023
Contract assets		
- Unbilled	-	-
- Trade receivables	37.23	67.20
Contract liabilities		
- Advances from customers	-	-
- Contract liability- deferred revenue	-	-

**Reconciliation of revenue from contract with customers**

Particulars	As at	
	March 31, 2024	March 31, 2023
Revenue from contract with customer	761.71	757.11
Adjustments made to contract price on Discount/ Rebates	12.69	15.01
<b>Revenue from contract with customer</b>	<b>774.40</b>	<b>772.11</b>
Other operating revenue	3.72	3.72
<b>Revenue from operations</b>	<b>778.12</b>	<b>775.83</b>

**31 Code on Social Security, 2020:**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## Medinova Diagnostic Services Limited

Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

### 33 Ratios

#### a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	March 31, 2024	March 31, 2023
Current Assets	115.44	147.74
Current Liabilities	285.57	314.10
<b>Ratio</b>	<b>0.40</b>	<b>0.47</b>
<b>% Change from previous year</b>	<b>-14%</b>	

#### b) Debt Equity ratio = Total debt divided by Total equity

Since the total equity is negative, ratio is not given

#### c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	March 31, 2024	March 31, 2023
Profit after tax	75.27	63.00
<b>Add: Non cash operating expenses and finance cost</b>	<b>69.70</b>	<b>81.03</b>
-Depreciation and amortizations	12.30	23.53
-Finance cost	57.40	57.50
<b>Earnings available for debt services</b>	<b>144.97</b>	<b>144.03</b>
Interest cost on borrowings	57.40	57.50
Instalments	75.00	-
<b>Total Interest and instalments</b>	<b>132.40</b>	<b>57.50</b>
<b>Ratio</b>	<b>1.09</b>	<b>2.50</b>
<b>% Change from previous year</b>	<b>-56%</b>	

#### Reasons for change more than 25%:

This ratio has increased from 2.50 in March 2023 to 1.09 in March 2024 mainly due to increase in Profit after tax and part repayment of loan

#### d) Return on Equity Ratio = Net profit after tax divided by Equity

Since the total equity is negative, this ratio is not given

#### e) Inventory Turnover Ratio = Cost of goods sold divided by closing inventory

Particulars	March 31, 2024	March 31, 2023
Cost of Goods sold	86	116
Closing Inventory	10	11
<b>Inventory Turnover Ratio</b>	<b>8</b>	<b>10</b>
<b>% Change from previous year</b>	<b>-19%</b>	

#### e) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	March 31, 2024	March 31, 2023
Credit Sales	129.87	134.44
Closing Trade Receivables	37.23	67.20
<b>Ratio</b>	<b>3.49</b>	<b>2.00</b>
<b>% Change from previous year</b>	<b>74%</b>	

#### Reason for change more than 25%:

This ratio has increased from 2.00 in March 2023 to 3.49 in March 2024 mainly due to decrease in Credit Sales and decrease in trade receivables

#### f) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	March 31, 2024	March 31, 2023
Credit Purchases	398.10	402.08
Closing Trade Payables	231.82	240.70
<b>Ratio</b>	<b>1.72</b>	<b>1.67</b>
<b>% Change from previous year</b>	<b>3%</b>	

**Medinova Diagnostic Services Limited****Notes to the Standalone Financial Statements for the year ended March 31, 2024 (continued)**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**g) Net capital Turnover Ratio = Sales divided by Working capital whereas working capital= current assets - current liabilities**

As the working capital is negative, this ratio is not given

**h) Net profit ratio = Net profit after tax divided by Sales**

Particulars	March 31, 2024	March 31, 2023
Net profit after tax	75.27	63.00
Sales	778.12	775.83
Ratio	9.67%	8.12%
<b>% Change from previous year</b>	<b>19%</b>	

**i) Return on Capital employed**

Particulars	March 31, 2024	March 31, 2023
Profit before interest and tax	159.07	144.57
Capital Employed:	<b>315.59</b>	<b>319.23</b>
Total Assets	601.16	633.33
Less: Current Liabilities	(285.57)	(314.10)
<b>Ratio</b>	<b>0.50</b>	<b>0.45</b>
<b>% Change from previous year</b>	<b>11%</b>	

Note: Return on investment ratio is not applicable to the company

**34 Other statutory information**

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the financial year.
- The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Company has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

**For M. Anandam & Co.**

Chartered Accountants

ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors of

**Medinova Diagnostic Services Limited**

CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**

Partner

Membership Number: 235955

**Dr. Sura Surendranath Reddy**

Chairman

DIN: 00108599

**Sunil Chandra Kondapally**

Managing Director

DIN Number: 01409332

Place: Hyderabad

Date: 26 Apr, 2024

**Nikhil Rajmal Jain**

Chief Financial Officer

**Hansraj Singh Rajput**

Company Secretary

Place: Hyderabad

Date: 26 Apr, 2024

# **M.ANANDAM & CO.,**

## **CHARTERED ACCOUNTANTS**

### **Independent Auditor's Report**

**To the Members of Medinova Diagnostic Services Limited**

**Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of **Medinova Diagnostic Services Limited** (hereinafter referred to as "the Holding Company") and its wholly owned subsidiary **Medinova Millennium MRI Services LLP** (the Holding Company and its wholly owned subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of its consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

**7 'A', SURYA TOWERS, SARDAR PATEL ROAD, SECUNDERABAD – 500003.**  
**PHONE: 2781 2377, 2781 2034, FAX:2781 2091**

### **Information Other than Financial Statements (Other Information)**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude we conclude that that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective management of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management of the entities included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective management of the entities included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) The Holding Company has not paid any remuneration to its directors during the year. Hence the provisions of section 197 of the Act are not applicable.



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements (Refer Note No. 21 of the consolidated financial statements).

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv. (a) The respective Managements of the Holding Company and its subsidiary have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Holding Company and its subsidiary have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend was declared or paid during the year by the Holding Company, hence, the provisions of section 123 of the Act are not applicable.

vi. Based on our examination which included test checks the Holding company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. This clause is not applicable to the subsidiary.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company we report that there are no qualifications or adverse remarks in this CARO report. Reporting under this clause is not applicable to the subsidiary.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 0001255)

Madhuri Chimalgi  
Partner  
Membership No. 235955

UDIN: 24235955BKCJUW4035

Place: Hyderabad  
Date: 26 April, 2024

**Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

**Opinion**

We have audited the internal financial controls with reference to the consolidated financial statements of **Medinova Diagnostic Services Limited** (“the Holding Company”) as of 31 March 2024 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls with reference to the consolidated financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Management’s Responsibility for Internal Financial Controls**

The Holding Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Inherent Limitations of Internal Financial Controls with reference to the consolidated financial statements**

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting

(the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to the consolidated financial statements.

#### **Meaning of Internal Financial Controls with reference to the consolidated financial statements**

A Company's internal financial control with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to the consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

For M. Anandam & Co.,  
Chartered Accountants  
(Firm's Registration No. 0001255)

Madhuri Chimalgi  
Partner  
Membership No. 235955

UDIN: 24235955BKCUW4035

Place: Hyderabad  
Date: 26 April, 2024

**Medinova Diagnostic Services Limited**  
**Consolidated Balance Sheet as at March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	4 (a)	159.92	154.45
(b) Intangible assets	4(b)	3.64	0.40
(c) Financial assets			
(i) Other financial assets	5 (b)	55.27	55.44
(d) Deferred tax assets, (net)	6	47.36	55.37
(e) Non-current tax assets, (net)	20 (d)	11.89	13.17
<b>Total non-current assets</b>		<b>278.08</b>	<b>278.84</b>
<b>II Current assets</b>			
(a) Inventories	7	13.58	12.22
(b) Financial assets			
(i) Trade receivables	5 (a)	42.58	70.28
(ii) Cash and cash equivalents	5 (c)	191.49	77.96
(iii) Other financial assets	5 (d)	3.25	0.32
(c) Current tax assets (net)	20 (d)	2.71	-
(d) Other current assets	8	6.36	8.27
<b>Total current assets</b>		<b>259.97</b>	<b>169.05</b>
<b>TOTAL ASSETS (I + II)</b>		<b>538.05</b>	<b>447.89</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	9 (a)	995.68	995.68
(b) Other equity	9 (b)	(1,308.14)	(1,509.25)
<b>Equity attributable to owners of Parent Company</b>		<b>(312.46)</b>	<b>(513.58)</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>(312.46)</b>	<b>(513.58)</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10 (a)	500.00	575.00
(b) Provisions	12	22.19	27.32
<b>Total non-current liabilities</b>		<b>522.19</b>	<b>602.32</b>
<b>III Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10 (a)	-	-
(ii) Trade payables	10 (b)		
Total outstanding dues of micro and small enterprises		3.70	0.58
Total outstanding dues of creditors other than micro and small enterprises		233.45	247.92
(iii) Other financial liabilities	10 (c)	34.26	41.91
(b) Other current liabilities	11	6.67	6.17
(c) Provisions	12	48.34	59.53
(d) Current tax liabilities (net)	20 (d)	1.90	3.03
<b>Total current liabilities</b>		<b>328.32</b>	<b>359.14</b>
<b>Total liabilities (II + III)</b>		<b>850.51</b>	<b>961.46</b>
<b>TOTAL EQUITY AND LIABILITIES (I + II + III)</b>		<b>538.05</b>	<b>447.88</b>
Corporate information	1		
Basis of preparation and measurement and material accounting policies	2&3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our Report of even date attached

**For M. Anandam & Co.**  
Chartered Accountants  
ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors of  
**Medinova Diagnostic Services Limited**  
CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**  
Partner  
Membership Number: 235955

**Dr. Sura Surendranath Reddy** **Sunil Chandra Kondapally**  
Chairman Managing Director  
DIN: 00108599 DIN: 01409332

Place: Hyderabad  
Date : 26.04.2024

**Nikhil Rajmal Jain** **Hansraj Singh Rajput**  
Chief Financial Officer Company Secretary

Place: Hyderabad  
Date : 26.04.2024

## Medinova Diagnostic Services Limited

### Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
<b>1 Income</b>			
(a) Revenue from operations	13	1,016.52	999.30
(b) Other income	14	19.82	22.51
<b>Total income</b>		<b>1,036.34</b>	<b>1,021.81</b>
<b>2 Expenses</b>			
(a) Cost of materials consumed	15	100.29	129.45
(b) Employee benefits expense	16	190.40	198.09
(c) Testing Fees		49.86	40.02
(d) Finance costs	17	57.40	59.93
(e) Depreciation and amortisation expenses	18	12.73	32.58
(f) Other expenses	19	397.77	371.73
<b>Total expenses</b>		<b>808.45</b>	<b>831.80</b>
<b>3 Profit before tax [1 - 2]</b>		<b>227.89</b>	<b>190.01</b>
<b>4 Tax expense</b>	20		
(a) Current tax		20.39	18.27
(b) Earlier year's tax		0.01	2.01
(c) Deferred tax		7.60	3.21
<b>Total tax expense</b>		<b>28.00</b>	<b>23.49</b>
<b>5 Profit for the year [3-4]</b>		<b>199.89</b>	<b>166.52</b>
<b>6 Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
(a) Remeasurement of the defined benefit obligations		1.63	1.03
(b) Income-tax relating to above item	20	(0.41)	(0.26)
<b>Other comprehensive income for the year (net of tax)</b>		<b>1.22</b>	<b>0.77</b>
<b>7 Total comprehensive income for the year [5+6]</b>		<b>201.11</b>	<b>167.29</b>
<b>Profit for the year attributable to Owners</b>		<b>199.89</b>	<b>166.52</b>
Profit/(Loss) for the year attributable to Non-controlling interests		-	-
<b>Total comprehensive income attributable to Owners</b>		<b>201.11</b>	<b>167.29</b>
Total comprehensive income/(loss) attributable to Non-controlling interests		-	-
<b>Earnings per equity share (face value of Rs. 10 each fully paid up)</b>	22		
- Basic (in Rs.)		2.00	1.67
- Diluted (in Rs.)		2.00	1.67
Corporate information	1		
Basis of preparation and measurement and material accounting policies	2&3		

The notes referred to above form an integral part of the consolidated financial statements.

As per our Report of even date attached

**For M. Anandam & Co.**

Chartered Accountants

ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors

**Medinova Diagnostic Services Limited**

CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**

Partner

Membership Number: 235955

**Dr. Sura Surendranath Reddy**

Chairman

DIN: 00108599

**Sunil Chandra Kondapally**

Managing Director

DIN: 01409332

Place: Hyderabad

Date : 26.04.2024

**Nikhil Rajmal Jain**

Chief Financial Officer

**Hansraj Singh Rajput**

Company Secretary

Place: Hyderabad

Date : 26.04.2024

**Medinova Diagnostic Services Limited**

**Consolidated Statement of cash flows for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	227.89	190.01
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	12.73	32.58
Net gain on sale of property, plant and equipment	(0.09)	-
Interest income	(3.49)	(3.14)
Provision for credit impaired receivables	18.00	0.01
Finance costs	57.40	2.43
Liabilities no longer required written back	(4.48)	(10.86)
<b>Operating profit before changes in assets and liabilities</b>	<b>307.96</b>	<b>211.03</b>
Changes in working capital items:		
(Increase)/ Decrease in inventories	(1.36)	5.46
(Increase)/ Decrease in trade receivables	9.70	(18.53)
(Increase)/ Decrease in other financial assets	(0.09)	33.87
(Increase)/ Decrease in other current assets	1.90	(3.23)
(Increase)/ Decrease in Non current tax assets	(11.57)	(10.63)
Increase/ (Decrease) in trade payables	(6.87)	(75.85)
Decrease in provisions and other liabilities	(15.82)	6.10
Increase in other current liabilities	(7.06)	1.18
<b>Cash generated from operations</b>	<b>276.80</b>	<b>149.40</b>
Income tax paid	(10.25)	(7.50)
<b>Net cash generated from operating activities (A)</b>	<b>266.55</b>	<b>141.90</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(21.47)	(38.68)
Proceeds from sale of property, plant and equipment	0.11	-
Interest received	0.83	4.71
<b>Net cash outflow from investing activities (B)</b>	<b>(20.53)</b>	<b>(33.96)</b>
<b>C. Cash flows from financing activities</b>		
Borrowing/ (Repayment) of Loan from Holding Company	(75.00)	-
Proceeds from/ (Repayments of) short-term borrowings, net	-	(63.46)
Interest paid	(57.49)	(21.94)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(132.49)</b>	<b>(85.40)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>113.53</b>	<b>22.54</b>
Cash and cash equivalents at the beginning of the year	77.96	55.42
<b>Cash and cash equivalents at end of the year</b>	<b>191.49</b>	<b>77.96</b>

**Note:**

(a) The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

(b) Cash and cash equivalents mentioned above comprise the following:

	As at March 31, 2024	As at March 31, 2023
Cash on hand	2.56	1.55
Balances with banks		
- in current accounts	88.93	76.41
- in deposits have maturity period of less than 3 months	100.00	-
<b>Total cash and cash equivalents (refer note 5(c))</b>	<b>191.49</b>	<b>77.96</b>

**(c) Net Debt Reconciliation**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance of borrowings	575.00	638.46
Add:- Proceeds from borrowings during the year	-	-
Less:- Repayment of borrowings during the year	(75.00)	(63.46)
Fair Value Adjustment	-	-
<b>Closing balance of borrowings</b>	<b>500.00</b>	<b>575.00</b>

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached

**For M. Anandam & Co.**

Chartered Accountants

ICAI Firm registration number: 000125S

For and on behalf of the Board of Directors

**Medinova Diagnostic Services Limited**

CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**

Partner

Membership Number: 235955

Place: Hyderabad

Date : 26.04.2024

**Dr. S Surendranath Reddy**

Chairman

DIN: 00108599

**Sunil Chandra Kondapally**

Managing Director

DIN: 01409332

**Nikhil Rajmal Jain**

Chief Financial Officer

Place: Hyderabad

Date : 26.04.2024

**Hansraj Singh Rajput**

Company Secretary

**Medinova Diagnostic Services Limited**

**Consolidated Statement of changes in equity for the year ended march 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**A. Equity Share Capital**

Particulars	Note	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	9(a)	995.68	995.68
Add: Changes in equity share capital during the year		-	-
Balance at the end of the year		995.68	995.68

Particulars	Reserves and surplus		Total attributable to		Total
	General reserve	Securities premium	Retained earnings	Non-controlling interest	
Balance as at April 01, 2023	62.46	51.55	(1,623.27)	(1,509.25)	(1,509.25)
Profit/(Loss) for the year	-	-	199.89	199.89	199.89
Other comprehensive income, net of tax	-	-	1.22	1.22	1.22
Total comprehensive income for the year	-	-	201.11	201.11	201.11
Balance at March 31, 2024	62.46	51.55	(1,422.16)	(1,308.15)	(1,308.15)
Particulars	Reserves and surplus		Total attributable to		Total
	General reserve	Securities premium	Retained earnings	Non-controlling interest	
Balance as at April 01, 2022	62.46	51.55	(1,790.56)	(1,676.56)	(1,676.56)
Profit/(Loss) for the year	-	-	166.52	166.52	166.52
Other comprehensive income, net of tax	-	-	0.77	0.77	0.77
Total comprehensive income for the year	-	-	167.29	167.29	167.29
Balance at March 31, 2023	62.46	51.55	(1,623.27)	(1,509.25)	(1,509.25)

**For M. Anandam & Co.**  
Chartered Accountants  
ICAI Firm registration number: 0001255

For and on behalf of the Board of Directors  
**Medinova Diagnostic Services Limited**  
CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**  
Partner  
Membership Number: 235955

**Dr. Sura Surendramath Reddy**  
Chairman  
DIN: 00108599

**Sunil Chandra Kondapally**  
Managing Director  
DIN: 01409332

Place: Hyderabad  
Date : 26.04.2024

**Nikhil Rajmal Jain**  
Chief Financial Officer

**Hansraj Singh Rajput**  
Company Secretary

Place: Hyderabad  
Date : 26.04.2024



## **Medinova Diagnostic Services Limited**

### **Notes to Consolidated Financial Statements for the year ended March 31, 2024**

#### **1 Corporate Information**

Medinova Diagnostic Services Limited ("the Company" or "the Parent Company") together with its subsidiary (collectively, "the Group") is a Public limited Company domiciled in India and was incorporated on March, 11, 1993 under the provisions of the Companies Act 2013 applicable in India. The registered office of the Company is located at # 7-1-58, Unit No.1/Flat No. 301, 3rd Floor, Amrutha Business Complex, Ameerpet, Hyderabad - 500 016, Telangana, India. The Company is a subsidiary of Vijaya Diagnostic Centre Limited.

The Group is engaged in the business of providing comprehensive range of diagnostic services spanning pathological investigations, radiology & imaging, conventional, specialized lab services and diagnostic cardiology.

#### **2 Basis of preparation and measurement**

##### **(i) Statement of compliance**

These consolidated financial statements (hereinafter referred to as 'consolidated financial statements') have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act under the historical cost convention on an accrual basis except for certain financial instruments, equity settled share based payments, which are measured at fair values, notified under the Act and Rules prescribed thereunder.

The consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 26th April , 2024.

##### **(ii) Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

##### **(iii) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities : Measured at fair value
- Net defined benefit (asset)/ liability : Fair value of plan assets less present value of defined benefit obligations
- Borrowings : Amortised cost using effective interest rate method

##### **(iv) Use of estimates and judgements**

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 6- Deferred tax assets: whether the Company has convincing evidence to recognise deferred tax assets

##### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 (a) – determining an asset's expected useful life and the expected residual value at the end of its life;
- Note 5 (b) – Impairment of financial assets;
- Note 25 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 12 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

## **Medinova Diagnostic Services Limited**

### **Notes to Consolidated Financial Statements for the year ended March 31, 2024**

#### **2 Basis of preparation and measurement (continued)**

##### **(v) Measurement of fair values**

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 28 - Financial instruments

##### **(vi) Principles of consolidation**

###### **a. Subsidiaries**

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements;
- (iii) The Group's voting rights and potential voting rights;
- (iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

## Medinova Diagnostic Services Limited

### Notes to Consolidated Financial Statements for the year ended March 31, 2024

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31.

#### 2 Basis of preparation (continued)

##### b. Consolidation procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

##### c. Non-controlling interests (NCI)

NCI is measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.

(ii) Derecognises the carrying amount of any non-controlling interests.

(iii) Derecognises the cumulative translation differences recorded in equity.

(iv) Recognises the fair value of the consideration received.

(v) Recognises the fair value of any investment retained.

(vi) Recognises any surplus or deficit in profit or loss.

(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

##### e. Subsidiaries considered in the consolidated financial statements:

S.No.	Name of the entity	Relationship	Country of incorporation	Ownership interest in %	
				March 31, 2024	March 31, 2023
1	Medinova Millennium MRI Services LLP	Wholly Owned subsidiary	India	100.00%	100.00%

#### 2 Basis of preparation (continued)

##### (vii) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

##### Assets

An asset is classified as a current when it is:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;

- it is expected to be realized within twelve months from the reporting date;

- it is held primarily for the purposes of being traded; or

- is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non current

## **Medinova Diagnostic Services Limited**

### **Notes to Consolidated Financial Statements for the year ended March 31, 2024**

#### **Liabilities**

A liability is classified as a current when:

- it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- the Group does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current.

#### **Operating Cycle**

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### **3 Summary of material accounting policies**

#### **A. Revenue recognition**

##### **i) Income from diagnostic services**

Revenue from diagnostics services is recognized on amount billed net of discounts/ concessions if any. No element of financing is deemed present as the sales are made primarily on cash and carry basis, however for institutional/ organisational customers a credit period of 30 days is given, which is consistent with market practice.

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfer services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the underlying tests are conducted, samples are processed for requisitioned diagnostic tests. Each service is generally a separate performance obligation and therefore revenue is recognised at a point in time when the tests are conducted, samples are processed. For multiple tests, the Group measures the revenue in respect of each performance obligation at its relative stand alone selling price and the transaction price is allocated accordingly. The price that is regularly charged for a test separately registered is considered to be the best evidence of its stand alone selling price. Revenue contracts are on principal to principal basis and the Group is primarily responsible for fulfilling the performance obligation.

#### **B. Recognition of interest income**

Interest income is recognised using the effective interest rate method.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## Medinova Diagnostic Services Limited

### Notes to Consolidated Financial Statements for the year ended March 31, 2024

#### 3 Summary of significant accounting policies (continued)

##### C. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

##### D. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial liability or equity instrument of another entity.

###### i) Initial measurement and recognition

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

###### ii) Classification and subsequent measurement

###### Financial assets

All financial assets are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

###### Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost : These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

###### Financial Liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

###### Derecognition - Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

## Medinova Diagnostic Services Limited

### Notes to Consolidated Financial Statements for the year ended March 31, 2024

#### 3 Summary of significant accounting policies (continued)

##### *Derecognition - Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

##### *Financial Instruments Offsetting*

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### E. Property, plant and equipment

##### *i) Recognition and measurement*

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

##### *ii) Depreciation*

Depreciation is provided using the Written down value Method ("WDV") upto 31st December 2022, over the useful lives of the assets as estimated by the Management. Depreciation on additions and deletions are restricted to the period of use. Assets costing below Rs. 5,000 are depreciated in full in the same year.

With effect from 1st January 2023, the Group has changed its method of depreciation on all Property, Plant and Equipment from Written Down Value ("WDV") method to Straight Line Method ("SLM"), based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the assets.

The Group entities, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has estimated the following useful lives to provide depreciation on its property, plant and equipment:

<i>Asset category</i>	<b>Useful life estimated by the Management</b>	<b>Useful life as per Schedule II</b>
Leasehold improvements	10 years	10 years
Plant and machinery	5 to 10 years	13 to 15 years
Furniture and fixtures	3 to 5 years	5 to 10 years
Computers	5 years	3 years

Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of profit and loss.

#### F. Intangible assets

##### *i) Recognition and measurement*

Intangible assets that are acquired, are recognized at cost initially and carried at cost less accumulated amortization and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

##### *ii) Amortization*

Upto 31st December 2022, amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the "written down value" (WDV) method, and is included in depreciation and amortization in statement of profit and loss.

With effect from 1st January 2023, the Group has changed its method of amortization from Written Down Value ("WDV") method to Straight Line Method ("SLM"), based upon the technical assessment of expected pattern of consumption of the future economic benefits embodied in the intangible assets.

The estimated useful life is as follows:

- Software - 3 years

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

## Medinova Diagnostic Services Limited

### Notes to Consolidated Financial Statements for the year ended March 31, 2024

#### 3 Summary of significant accounting policies (continued)

##### G. Capital work in progress

Capital work-in-progress is recognized at cost. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

##### H. Inventories

Inventories comprise of diagnostic kits, reagents, laboratory chemicals and consumables, these are valued at lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to their present location after adjusting for recoverable taxes, if any. Cost is determined on First-in-First-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

##### I. Impairment of assets

###### i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

###### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

###### Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

###### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**3 Summary of significant accounting policies (continued)**

**ii) Impairment of non-financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss has been recognised.

**J. Employee benefits**

**(i) Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

**(iii) Defined benefit plans:**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**(iv) Other long-term employee benefits**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period by a qualified actuary using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.



## Medinova Diagnostic Services Limited

### Notes to Consolidated Financial Statements for the year ended March 31, 2024

#### 3 Summary of significant accounting policies (continued)

##### K. Leases

Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

###### Company as a Lessor:

Leases for which the Company is a lessor are classified as a finance or operating lease. When ever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on straight line basis over the term of relevant lease.

###### Company as a Lessee:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

##### L. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

###### (i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

###### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – Unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

## Medinova Diagnostic Services Limited

### Notes to Consolidated Financial Statements for the year ended March 31, 2024

#### 3 Summary of significant accounting policies (continued)

##### M. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for.

##### Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

##### Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

##### N. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

##### O. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

##### P. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### Q. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

##### R. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

<b>4 (a) Property, plant and equipment</b>							
<b>Particulars</b>	<b>Leasehold improvements *</b>	<b>Plant and equipment</b>	<b>Furniture and fixtures</b>	<b>Computers</b>	<b>Office equipment</b>	<b>Electrical equipment</b>	<b>Total</b>
<b>A. Gross carrying amount (at cost)</b>							
<b>As at April 01, 2022</b>	<b>33.81</b>	<b>797.93</b>	<b>38.13</b>	<b>27.16</b>	<b>0.14</b>	<b>-</b>	<b>897.16</b>
Additions	11.07	17.99	-	0.67	1.08	7.87	38.68
Deletions	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>44.89</b>	<b>815.92</b>	<b>38.13</b>	<b>27.83</b>	<b>1.22</b>	<b>7.87</b>	<b>935.84</b>
Additions	1.61	3.25	2.24	0.42	0.27	8.56	16.34
Deletions	-	(0.35)	-	-	-	-	(0.35)
<b>As at March 31, 2024</b>	<b>46.49</b>	<b>818.82</b>	<b>40.37</b>	<b>28.25</b>	<b>1.49</b>	<b>16.42</b>	<b>951.82</b>
<b>B. Accumulated depreciation</b>							
<b>As at April 01, 2022</b>	<b>24.83</b>	<b>666.56</b>	<b>34.48</b>	<b>23.16</b>	<b>0.02</b>	<b>-</b>	<b>749.04</b>
For the year ended	3.97	25.00	0.78	1.10	0.16	1.32	32.34
Deletions	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>28.80</b>	<b>691.56</b>	<b>35.26</b>	<b>24.26</b>	<b>0.18</b>	<b>1.32</b>	<b>781.38</b>
For the year ended	2.29	5.98	0.24	0.79	0.26	1.28	10.84
Deletions	-	(0.33)	-	-	-	-	(0.33)
<b>As at March 31, 2024</b>	<b>31.09</b>	<b>697.21</b>	<b>35.50</b>	<b>25.05</b>	<b>0.44</b>	<b>2.59</b>	<b>791.90</b>
<b>C. Net carrying amount (A-B)</b>							
<b>As at March 31, 2024</b>	<b>15.39</b>	<b>121.62</b>	<b>4.87</b>	<b>3.19</b>	<b>1.05</b>	<b>13.83</b>	<b>159.92</b>
As at March 31, 2023	16.08	124.36	2.87	3.56	1.04	6.55	154.45

\* Leasehold improvements are the interiors/civil works carried out by the group at the diagnostic centre taken on lease.

**Medinova Diagnostic Services Limited****Notes to Consolidated Financial Statements for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**4(b) Intangible assets**

<b>Particulars</b>	<b>Amount</b>
<b>Software</b>	
<b>A. Gross carrying amount (at cost)</b>	
As at April 01, 2022	0.88
Additions	-
Deletions	-
<b>As at March 31, 2023</b>	<b>0.88</b>
Additions	<b>5.13</b>
Deletions	-
<b>As at March 31, 2024</b>	<b>6.01</b>
<b>B. Accumulated amortization</b>	
As at April 01, 2022	0.23
For the year ended	0.25
Deletions	-
<b>As at March 31, 2023</b>	<b>0.48</b>
For the year ended	1.89
Deletions	-
<b>As at March 31, 2024</b>	<b>2.37</b>
<b>C. Net carrying amount</b>	
<b>As at March 31, 2024</b>	<b>3.64</b>
<b>As at March 31, 2023</b>	<b>0.40</b>

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>5 Financial assets</b>		
<b>(a) Trade receivables</b>		
<b>Current</b>		
Unsecured, considered good *	42.58	70.28
Credit impaired	19.28	1.28
Less: Allowance for doubtful receivables (expected credit loss allowance)	(19.28)	(1.28)
	<b>42.58</b>	<b>70.28</b>

\* Includes amount receivable from related parties (refer note 26)

**As on March 31, 2024**

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	40.15	1.75	0.68	-	-	42.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.19	1.55	17.54	19.28
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>40.15</b>	<b>1.75</b>	<b>0.87</b>	<b>1.55</b>	<b>17.54</b>	<b>61.86</b>
Expected credit loss rate	-	-	21.84%	100.00%	100.00%	
Loss Allowance - B	-	-	0.19	1.55	17.54	19.28
<b>Carrying amount of trade receivables (C=A-B)</b>	<b>40.15</b>	<b>1.75</b>	<b>0.68</b>	<b>-</b>	<b>-</b>	<b>42.58</b>

**As on March 31, 2023**

Particulars	Outstanding for following periods from due date of receipt					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More Than 3 Years	
(i) Undisputed Trade receivables – considered good	48.88	0.86	1.74	11.36	7.44	70.28
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.46	0.82	1.28
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>48.88</b>	<b>0.86</b>	<b>1.74</b>	<b>11.81</b>	<b>8.26</b>	<b>71.56</b>
Expected credit loss rate	-	-	0.00%	3.9%	10.0%	
Loss Allowance - B	-	-	-	0.46	0.82	1.28
<b>Carrying amount of trade receivables (C=A-B)</b>	<b>48.88</b>	<b>0.86</b>	<b>1.74</b>	<b>11.36</b>	<b>7.44</b>	<b>70.28</b>

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	As at March 31, 2024	As at March 31, 2023		
<b>(b) Other financial assets</b>				
<b>Non-current</b>				
<i>(Unsecured, considered good)</i>				
Security deposits	15.92	16.17		
Deposits having remaining maturity of more than 12 months #	39.35	39.27		
	<u>55.27</u>	<u>55.44</u>		
# Includes Fixed deposit of Rs. 9.35 lakhs towards bank guarantee (March 31, 2023: Rs.9.27 lakhs)				
<b>(c) Cash and cash equivalents</b>				
Cash on hand	2.56	1.55		
Balances with banks				
- in current accounts	88.93	76.41		
- in deposit accounts having remaining maturity of less than 3 months	100.00	-		
	<u>191.49</u>	<u>77.96</u>		
<b>(d) Other financial assets</b>				
<i>(Unsecured, considered good)</i>				
<b>Current</b>				
Interest accrued on bank deposits and others	2.98	0.32		
Security deposits	0.27	-		
	<u>3.25</u>	<u>0.32</u>		
<b>6 Deferred tax asset/(liabilities), net</b>				
<b>Deferred tax assets</b>				
- On account of property, plant and equipment	22.64	31.07		
- On account of decommissioning liability	10.98	10.98		
- On account of expenses allowable on payment basis	13.74	13.31		
	<u>47.36</u>	<u>55.37</u>		
<b>Deferred tax asset/(liabilities), net</b>				
<b>Movement in deferred tax assets/ (liabilities)</b>				
<b>On account of</b>	<b>Property, plant and equipment</b>	<b>Expenses allowable on payment basis</b>	<b>Provision for decommissioning liability</b>	<b>Total</b>
<b>As at April 01, 2022</b>	<b>35.38</b>	<b>12.81</b>	<b>10.65</b>	<b>58.83</b>
(Charged)/ credited:				
- to profit and loss	(4.31)	0.77	0.33	(3.21)
- to OCI	-	(0.26)	-	(0.26)
<b>As at March 31, 2023</b>	<b>31.07</b>	<b>13.31</b>	<b>10.98</b>	<b>55.37</b>
(Charged)/credited:				
- to profit and loss	(8.44)	0.84	-	(7.60)
- to OCI	-	(0.41)	-	(0.41)
<b>As at March 31, 2024</b>	<b>22.64</b>	<b>13.74</b>	<b>10.98</b>	<b>47.36</b>
<b>7 Inventories</b>				
<i>(Valued at lower of cost and net realisable value)</i>				
Reagents, chemicals, digital imaging films and consumables			13.58	12.22
			<u>13.58</u>	<u>12.22</u>
<b>8 Other assets</b>				
<b>Current</b>				
Prepaid expenses			6.25	7.67
Advances for expenses			-	0.49
GST Input Tax Credit			0.11	0.11
			<u>6.36</u>	<u>8.27</u>

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>9 Equity</b>		
<b>Authorised share capital</b>		
11,000,000 (March 31, 2022: 11,000,000) equity shares of Rs. 10 each	1,100.00	1,100.00
<b>Equity share capital</b>		
<b>(a) Issued, subscribed and fully paid up capital</b>		
9,981,640 (March 31, 2022: 9,981,640) equity shares of Rs. 10 each, fully paid-up	998.16	998.16
Less : Allotment Money Arrears	2.48	2.48
	<b>995.68</b>	<b>995.68</b>
<b>i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	<b>Number of shares</b>	<b>Amount</b>
	<b>Number of shares</b>	<b>Amount</b>
Shares outstanding at the beginning of the year	99,81,640	995.68
Shares issued during the year	-	-
<b>Shares outstanding at the end of the year</b>	<b>99,81,640</b>	<b>995.68</b>
<b>ii) Terms and rights attached to equity shares</b>		
Equity shares issued by the Company have par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>iii) Details of shareholders holding more than 5% equity shares in the Company</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	<b>Number of</b>	<b>% of total shares</b>
	<b>Number of shares</b>	<b>% of total shares</b>
Vijaya Diagnostic Centre Limited (Holding Company)	62,02,220	62.14%
As per records the Company including registration of shareholders/ members, the above share holding represents both legal and beneficial ownership of shares. Name of the Holding Company changed to Vijaya Diagnostic Centre Limited with effect from March 26, 2021 (formerly known as Vijaya Diagnostic Centre Private Limited).		
<b>iv) Shares held by Holding Company</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>Equity Shares:</b>		
Vijaya Diagnostic Centre Limited	62,02,220	62,02,220
<b>vi) Shares held by Promoters at the end of the year</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
	<b>Number of shares</b>	<b>% Change During the Year</b>
	<b>% holding</b>	<b>Number of shares</b>
	<b>% holding</b>	<b>% Change During the Year</b>
<b>Equity Shares:</b>		
Vijaya Diagnostic Centre Limited (Holding Company)	62,02,220	62.14%
	-	62,02,220
	62.14%	-
<b>vii) Details of shares issued for consideration other than cash and bonus shares during last five years:</b>		
	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
Shares issued for consideration other than cash	-	-
Bonus shares	-	-
<b>(b) Other equity</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
General reserve	62.46	62.46
Securities premium	51.55	51.55
Retained earnings	(1,422.16)	(1,623.27)
	<b>(1,308.14)</b>	<b>(1,509.25)</b>

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**i) General reserve**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Balance at the commencement of the year	62.46	62.46
Add: Movement during the year	-	-
<b>Balance as at the end of the year</b>	<b>62.46</b>	<b>62.46</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

**ii) Securities premium**

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Balance at the commencement of the year	51.55	51.55
Add: Movement during the year	-	-
<b>Balance as at the end of the year</b>	<b>51.55</b>	<b>51.55</b>

Securities premium is used to record the premium on issue of shares. It will be utilised in accordance with the provisions of the "Act".

**iii) Retained earnings**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Balance at the commencement of the year	(1,623.27)	(1,790.56)
Add: Profit for the year	199.89	166.52
Less: Adjustment on consolidation (towards acquisition of Non Controlling Interest in Subsidiary)	-	-
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurement of defined benefit plans, net of tax	1.22	0.77
<b>Balance as at the end of the year</b>	<b>(1,422.16)</b>	<b>(1,623.27)</b>

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distribution to shareholders. OCI represents Re-measurement on defined benefit plans: Difference between the interest income on plan assets and the return actually achieved, any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and subsequently not reclassified to statement of profit and loss.

<b>Total Other equity (i+ii+iii)</b>	<b>(1,308.15)</b>	<b>(1,509.25)</b>
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**Medinova Diagnostic Services Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>10 Financial liabilities</b>		
<b>(a) Borrowings</b>		
<b>Non-Current</b>		
<b>Unsecured loans</b>		
<b>From related parties</b>		
-from Holding Company	500.00	575.00
	<u>500.00</u>	<u>575.00</u>
<b>Note:</b>		
<b>i. Terms of Unsecured loans from related parties:</b>		
(a) Loan from Holding Company is repayable in 3 years from the date of sanction, and the loan carries an interest rate of 10% per annum.		
<b>(b) Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 23)	3.70	0.58
Total outstanding dues of creditors other than micro enterprises and small	233.45	247.92
	<u>237.15</u>	<u>248.50</u>

\* Includes amount payable to related parties (refer note 26)

**As on March 31, 2024**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i)MSME	3.52	0.18	-	-	-	3.70
ii)Others	7.67	33.35	0.00	0.81	191.62	233.45
iii)Disputed Dues-MSME	-	-	-	-	-	-
IV)Disputed Dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>11.19</b>	<b>33.53</b>	<b>0.00</b>	<b>0.81</b>	<b>191.62</b>	<b>237.15</b>

**As on March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More Than 3 Years	Total
i)MSME	-	0.58	-	-	-	0.58
ii)Others	11.46	32.72	1.57	7.69	194.48	247.92
iii)Disputed Dues-MSME	-	-	-	-	-	-
IV)Disputed Dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>11.46</b>	<b>33.30</b>	<b>1.57</b>	<b>7.69</b>	<b>194.48</b>	<b>248.50</b>

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	As at March 31, 2024	As at March 31, 2023
<b>(c) Other financial liabilities</b>		
<b>Current</b>		
Interest accrued but not due on borrowings	12.67	12.76
Payable to employees	21.59	29.15
	<b>34.26</b>	<b>41.91</b>
<b>11 Other liabilities</b>		
<b>Current</b>		
Statutory liabilities	6.67	6.17
	<b>6.67</b>	<b>6.17</b>
<b>12 Provisions</b>		
<b>Non-current</b>		
Provision for employee benefits:		
- Gratuity (refer note 25)	18.68	23.53
- Compensated absences	3.51	3.78
	<b>22.19</b>	<b>27.32</b>
Provision for employee benefits:		
- Gratuity (refer note 25)	9.21	17.12
- Compensated absences	3.95	7.23
Others:		
- Decommissioning liability	35.18	35.18
	<b>48.34</b>	<b>59.53</b>

**Note:**

**i. Movement in provision for others:**

	Decommissioning liability
<b>Carrying amount as at April 01, 2022</b>	31.04
Add: Provision created during the year	4.14
Less: Provision reversed during the year	-
<b>Balance as at March 31, 2023</b>	<b>35.18</b>
<b>Carrying amount as at April 01, 2023</b>	35.18
Add: Provision created during the year	-
Less: Provision reversed during the year	-
<b>Balance as at March 31, 2024</b>	<b>35.18</b>

**Medinova Diagnostic Services Limited****Notes to Consolidated Financial Statements for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>13 Revenue from operations</b>		
Sale of services	1,012.80	995.58
Other operating revenue		
Franchise Management Fee	3.72	3.72
	<u>1,016.52</u>	<u>999.30</u>
<b>14 Other income</b>		
Interest income on bank deposits and others	3.49	3.14
Other non operating income	16.33	19.37
	<u>19.82</u>	<u>22.51</u>
<b>15 Cost of materials consumed</b>		
Inventory of materials as at the beginning of the year	12.22	17.68
Add: Purchases during the year	101.65	123.99
Less: Inventories of materials as at the end of the year	(13.58)	(12.22)
	<u>100.29</u>	<u>129.45</u>
<b>16 Employee benefits expense</b>		
Salaries, wages and bonus	169.45	175.87
Contribution to provident and other funds [refer note 25]	13.16	13.67
Gratuity [refer note 25]	5.48	5.02
Compensated absences	(0.43)	1.25
Staff welfare expenses	2.75	2.28
	<u>190.40</u>	<u>198.09</u>
<b>17 Finance costs</b>		
Interest on bank over draft measured at amortised cost	-	6.80
Interest on borrowings from Holding Company measured at amortised cost	57.40	52.09
Interest expense on decommissioning liability	-	1.04
	<u>57.40</u>	<u>59.93</u>
<b>18 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	10.84	32.34
Amortisation of intangible assets	1.89	0.25
	<u>12.73</u>	<u>32.58</u>
<b>19 Other expenses</b>		
Power and fuel	37.19	34.23
Rent (refer note (ii) below)	49.97	44.77
Repairs and maintenance		
- Buildings	-	-
- Plant and equipment	72.93	67.93
- Others	5.44	1.25
House keeping expenses	10.31	7.32
Insurance	1.35	1.24
Rates and taxes	8.76	9.43
Advertisement, publicity and marketing	7.31	6.56
Travelling and conveyance	11.91	13.25
Legal and professional fees	145.04	141.19
Payment to auditors [refer note (i) below]	4.82	5.43
Postage and communication	10.98	11.29
Printing and stationery	0.00	0.04
Provision for doubtful receivables	18.00	0.01
Advance/Deposit written off	-	13.38
Bank charges	4.78	4.72
Miscellaneous expenses	8.95	9.68
	<u>397.76</u>	<u>371.73</u>

**Medinova Diagnostic Services Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Notes:</b>		
<b>i. Payment to auditors (inclusive of taxes)</b>		
As auditors		
- Statutory Audit Fee (including limited reviews)	3.87	3.77
- Tax Audit Fee	0.95	1.66
	<b>4.82</b>	<b>5.43</b>
ii. Rent includes expense on low value lease of Rs. 3.36 (FY 2022-23, Rs. 1.21) and on short term lease of Rs. 46.61 (FY 2022-23 Rs.42.27)		
<b>20 Income-tax expense</b>		
<b>(a) Amount recognised in statement of profit and loss</b>		
Current tax	20.39	18.27
Earlier year's tax	0.01	2.01
Deferred tax attributable to temporary differences	7.60	3.21
<b>Tax expense</b>	<b>28.00</b>	<b>23.49</b>
<b>(b) Amount recognised in other comprehensive income</b>		
<b>Deferred tax related to items recognised in OCI</b>		
Deferred tax expense/(income) on remeasurements of defined benefit obligations	0.41	0.26
<b>Income-tax expense/(income) recognised in OCI</b>	<b>0.41</b>	<b>0.26</b>
<b>(c) Reconciliation of tax expenses and the amounting profit multiplied by tax rate</b>		
<b>Profit before tax</b>	<b>227.89</b>	<b>190.01</b>
Enacted tax rate in India for holding company	25.17%	25.17%
Enacted tax rate in India for subsidiary	31.20%	31.20%
<b>Tax expense at enacted rates</b>	<b>64.97</b>	<b>54.04</b>
<b>Tax effect of:</b>		
Disallowances for tax purpose	16.63	13.85
Allowances for tax purpose	(15.83)	(13.72)
Set off against carry forward losses	(37.77)	(32.70)
Tax pertaining to earlier years	0.01	2.01
<b>Income-tax recognised in the statement of profit and loss</b>	<b>28.00</b>	<b>23.49</b>
<b>(d) The following table provides the details of income tax assets and income tax liabilities:</b>		
	As at March 31, 2024	As at March 31, 2023
Income-tax assets, (net)	11.89	13.17
Current tax liabilities, (net)	0.81	(3.03)
	<b>12.70</b>	<b>10.15</b>
	As at March 31, 2024	As at March 31, 2023
Net income-tax assets at the beginning of the year	10.15	10.15
Less: Current income tax expense	(20.39)	(18.27)
Less: Tax pertaining to earlier years	(0.01)	(2.01)
Add: Tax paid / (refund received) during the year	22.96	20.28
<b>Net income tax assets as at the end of the year</b>	<b>12.70</b>	<b>10.15</b>

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**21 Contingent liabilities and commitments (to the extent not provided for)**  
**Contingent liabilities**

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts	Nil	Nil

**Capital and other commitments**

	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	Nil	Nil
Other commitments	Nil	Nil

**22 Earnings per share**

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Earnings for the year</b>		
Net profit for the year (A)	199.89	166.52
<b>Shares</b>		
Weighted average number of equity shares for Basic EPS (B)	99,81,640	99,81,640
Weighted average number of equity shares for Diluted EPS (C)	99,81,640	99,81,640
<b>(a) Basic earnings per share of face value of Rs. 10 each (A/B)</b>	<b>2.00</b>	<b>1.67</b>
<b>(b) Diluted earnings per share of face value of Rs. 10 each (A/C)</b>	<b>2.00</b>	<b>1.67</b>

**23 Dues to micro and small enterprises**

Details of dues to micro enterprises and small enterprises as defined under the MSMED Act, 2006

Particulars	March 31, 2024	March 31, 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	3.70	0.58
- Interest	-	-
(b) the amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this MSMED Act;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of the each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-

**Note:** The list of undertakings covered under MSMED Act was determined by the Group on the basis of information available with the Group and has been relied upon by the auditors.

**24 Segment reporting**

**A. Basis for segmentation**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments results are reviewed regularly by the Group's Chairman and MD to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the Group is presented. The Group's operations fall within a single business segment "Diagnostic services".

**B. Geographical information**

The Group operates within India and therefore there is no assets or liabilities outside India.

**C. Major customers**

Revenue from any single customer of the Group's operating segment does not exceed 10% of the total revenue reported and hence the Management believes that there are no major customers to be disclosed.

**Medinova Diagnostic Services Limited****Notes to Consolidated Financial Statements for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**25 Employee benefit plans**

The Company has following post employment benefit plans:

**(a) Defined contribution plans**

Contributions were made to provident fund (at the rate of 12% of basic salary) and Employee State Insurance in India for the employees of the Company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any other constructive obligation. The expense recognised during the year in the consolidated statement of profit and loss towards defined contribution plan is Rs. 13.16 lakhs (March 31, 2023: Rs. 13.67 lakhs).

**(b) Defined benefit plan**

The Company provides for Gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20.00 lakhs. The gratuity plan is a unfunded plan.

**i. Reconciliation of the net defined benefit (asset)/ liability**

The amounts recognised in the balance sheet and the movements in the defined benefit obligation and fair value of plan assets over the year are as follows:

**The amounts recognised in the balance sheet and the movements in the defined benefit obligation as per the valuation report as at March 31, 2024 are produced in the tables below**

**(a) Changes in the present value of obligation**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Present value of obligation as at the beginning</b>	<b>40.65</b>	<b>39.25</b>
Current service cost	2.50	2.62
Interest expense or cost	2.97	2.39
<b>Actuarial (gains) / losses</b>		
- change in demographic assumptions	-	-
- change in financial assumptions	0.14	(1.56)
- experience variance (i.e. Actual experience vs assumptions)	(1.77)	0.52
Benefits paid	(16.62)	(2.58)
<b>Present value of obligation as at end</b>	<b>27.88</b>	<b>40.65</b>

**(b) Bifurcation of Present Value of obligation at the end of the year**

Particulars	As at	
	March 31, 2024	March 31, 2023
Current liability (Short-term)	9.21	17.12
Non-current liability (Long-term)	18.68	23.53
<b>Present value of obligation</b>	<b>27.88</b>	<b>40.65</b>

**(c) Expenses Recognised in the Statement of profit and loss**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Current service cost	2.50	2.62
Net interest cost / (income) on the net defined benefit liability / (asset)	2.97	2.39
<b>Expenses recognised in the Statement of profit and loss</b>	<b>5.48</b>	<b>5.02</b>

**Medinova Diagnostic Services Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**25 Employee benefit plans (continued)**

**(b) Defined benefit plan (continued)**

**(d) Other Comprehensive Income**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(0.14)	1.56
- experience variance (i.e. Actual experience vs assumptions)	1.77	(0.52)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>1.63</b>	<b>1.03</b>

**ii. Actuarial assumptions**

Principal actuarial assumptions for defined benefit obligation are as follows:

	March 31, 2024	March 31, 2023
Discount rate	7.15%	7.30%
Salary escalation rate	6.00%	6.00%
Attrition rate	15.00%	15.00%

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Attrition rate:** Represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

**iii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation and current service cost by the amounts shown below:

	Increase in assumption by 1%		Decrease in assumption by 1%	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	-3.2%	-2.5%	3.4%	2.7%
Salary escalation rate	3.4%	2.7%	-3.3%	-2.6%
Attrition rate	-0.6%	-0.2%	0.1%	-0.3%

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**iv. Maturity profile of the defined benefit liability**

The weighted average duration of the defined benefit obligation is 3 years (March 31, 2023 - 2026 years). The expected maturity analysis of defined benefit obligation on an undiscounted basis is as follows:

	Less than a year	Between 2-5 years	Between 6-10 years	More than 10 years
March 31, 2024	9.21	19.16	4.38	3.68
March 31, 2023	17.12	23.00	7.35	3.47

**Medinova Diagnostic Services Limited**

**Notes to Consolidated Financial Statements for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**26 Related party disclosures**

**(a) Details of related parties**

<b>Description of relationship</b>	<b>Name of the related parties</b>
Holding Company	Vijaya Diagnostic Centre Limited (formerly known as Vijaya Diagnostic Centre Private Limited)
Key Management Personnel (KMP)	Dr. Sura Surendranath Reddy, Chairman Sunil Chandra Kondapally, Managing Director Madhava Reddy Beeravelli Chief Financial Officer (Upto December 21, 2023) Nikhil Rajmal Jain, Chief Financial Officer ( w.e.f. Januray 31, 2024) Hansraj Singh Rajput, Company Secretary (w.e.f February 1st, 2023) Vishnu Priya Reddy Birudavolu (w.e.f August 14th 2019)
Close member of KMP	S.Geetha Reddy (Wife of Dr. Sura Surendranath Reddy, Chairman)
Independent Directors	Kamalaka Rao Ponnappalli (w.e.f November 10th 2014) Ravindra Reddy Venga Reddy Kutagulla (Up to March 31st 2024)

**(b) Details of transactions during the year**

	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
<b>Vijaya Diagnostic Centre Limited</b>		
Diagnostic Services-Expense	44.16	34.96
Interest on Loan	57.40	57.50
Loan Received	-	-
Loan Repaid	75.00	-
Sale of consumables	-	0.07
Purchase of consumables	-	5.24
Rent Paid	43.54	42.48
Reimbursement of expenses	-	0.13
<b>S.Geetha Reddy</b>		
Rental Deposit	-	1.85
Rent Paid	4.36	1.09
<b>Kamalaka Rao Ponnappalli</b>		
Independent directors sitting fee/commision	0.11	0.11
<b>Ravindra Reddy Venga Reddy Kutagulla</b>		
Independent directors sitting fee/commision	0.11	0.14

**(c) Amounts due (to)/ from related parties**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>Unsecured Loan</b>		
Vijaya Diagnostic Centre Limited	500.00	575.00
<b>Interest payable</b>		
Vijaya Diagnostic Centre Limited	12.67	12.76
<b>Rent Payable</b>		
S.Geetha Reddy	0.33	0.33
<b>Creditors for services</b>		
Vijaya Diagnostic Centre Limited	195.97	195.44

**Note:**

All transactions with these related parties are at arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash. None of the balances are secured. (All the amounts of transactions and balances disclosed in this note are gross and undiscounted.)



**Medinova Diagnostic Services Limited****Notes to Consolidated Financial Statements for the year ended March 31, 2024**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**27 Capital management**

The Group's policy is to maintain a stable and strong capital structure with a focus on equity so as to provide returns to shareholders, benefits to other stakeholders, creditors and to sustain future development and growth of the business. In order to maintain the capital structure, the Group monitors the return on capital as well as debt to total equity ratio. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of debt to total equity, debt includes its long-term and short-term borrowings. Total equity comprises of issued share capital and all other equity reserves. Since the total equity is negative, Gearing ratio is not given.

**28 Financial instruments****A. Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	March 31, 2024		March 31, 2023		Fair value level
		Amortised Cost	Fair value	Amortised Cost	Fair value	
<b>Financial assets</b>						
Trade receivables	5 (a)	42.58	-	70.28	-	Level 3
Security deposits	5 (b)	15.92	-	16.17	-	Level 3
Bank deposits	5 (b)	39.35	-	39.27	-	Level 3
Cash and cash equivalents	5 (c)	191.49	-	77.96	-	Level 3
Other bank balances	5 (d)	-	-	-	-	Level 3
Other financial assets	5 (d)	3.25	-	0.32	-	Level 3
<b>Total financial assets</b>		<b>292.59</b>	<b>-</b>	<b>204.00</b>	<b>-</b>	
<b>Financial liabilities</b>						
Borrowings	10 (a)	500.00	-	575.00	-	Level 3
Trade payables	10 (b)	237.15	-	248.50	-	Level 3
Other financial liabilities	10(c)	34.26	-	41.91	-	Level 3
<b>Total financial liabilities</b>		<b>771.41</b>	<b>-</b>	<b>865.41</b>	<b>-</b>	

Note: The Group has not disclosed the fair values for financial instruments such as short-term trade receivables or short-term trade payables because their carrying amounts are a reasonable approximation of fair values.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
 (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**28 Financial instruments - fair valuation and risk management (continued)**

**B. Financial Risk Management**

The Group activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits.
Liquidity Risk	Borrowings	Cash flow forecasts managed by the finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits and investment in mutual funds.

The Group's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

**i. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans.

The Group has no significant concentration of credit risk with any counterparty.

**Trade receivables and loans**

Customer credit risk is managed by the respective department subject to Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Group. Outstanding customer receivables are regularly monitored.

**Expected credit loss (ECL) assessment for individual customers:**

As per simplified approach, the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

The ageing analysis of the receivables has been considered from the date the invoice falls due.

	< 365 days	> 365 days	Provision	Total
March 31, 2024	41.90	19.96	(19.28)	42.58
March 31, 2023	49.75	21.82	(1.28)	70.28

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

**The movement in the allowance for impairment in respect of trade receivables is as follows:**

Balance at the beginning of the year	1.28	1.27
Add: Allowance measured at lifetime expected credit loss	18.00	0.01
<b>Balance at the end of the year</b>	<b>19.28</b>	<b>1.28</b>

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by credit rating agencies.

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
 (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**28 Financial instruments - fair valuation and risk management (continued)**

**B. Financial risk management (continued)**

**ii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The finance team monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash outflows on trade payables and other financial liabilities and any excess/short liquidity is managed in the form of current borrowings and bank deposits as per the approved frame work.

**Exposure to liability risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

**March 31, 2024**

	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings (including current maturities of long-term borrowings)	500.00	500.00	500.00	-	-	-
Trade payables	237.15	237.15	237.15	0.00	-	-
Other financial liabilities	34.26	34.26	34.26	-	-	-
	<b>771.41</b>	<b>771.41</b>	<b>771.41</b>	<b>0.00</b>	-	-

**March 31, 2023**

	Carrying amount	Contractual cash flows				
		Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings (including current maturities of long-term borrowings)	575.00	575.00	-	575.00	-	-
Trade payables	248.50	248.50	248.50	-	-	-
Other financial liabilities	41.91	41.91	41.91	-	-	-
	<b>865.41</b>	<b>865.41</b>	<b>290.41</b>	<b>575.00</b>	-	-

Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**iii. Market risk**

Market risk is the risk that results from changes in market prices - such as foreign exchange rates, interest rates and others which will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
 (All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**29 Disclosure as per Ind AS 115 - Revenue from contracts with customers**

	As at	
	March 31, 2024	March 31, 2023
<b>Contract assets</b>		
- Unbilled revenue	-	-
- Trade receivables	42.58	70.28
<b>Contract liabilities</b>		
- Advances from customers	-	-
- Contract liability- deferred revenue	-	-

**Reconciliation of revenue from contract with customers**

Particulars	As at	
	March 31, 2023	March 31, 2022
Revenue from contract with customer as per the contract	981.50	969.23
Adjustments made to contract price on account of :-		
Discount / Rebates	31.30	26.35
<b>Revenue from contract with customer</b>	<b>1,012.80</b>	<b>995.58</b>
Other operating revenue	3.72	3.72
<b>Revenue from operations</b>	<b>1,016.52</b>	<b>999.30</b>

**30 Code on Social Security, 2020:**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**32 Ratios as per the Schedule III requirements**

**a) Current Ratio = Current Assets divided by Current Liabilities**

Particulars	March 31, 2024	March 31, 2023
Current Assets	259.97	169.05
Current Liabilities	328.32	359.14
<b>Ratio</b>	<b>0.79</b>	<b>0.47</b>
<b>% Change from previous year</b>	<b>68%</b>	

This ratio has increased from 0.47 in March 2023 to 0.79 in March 2024 mainly due to increase in cash and cash equivalents.

**b) Debt Equity ratio = Total debt divided by Total equity**

Since the total equity is negative, ratio is not given

**c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments**

Particulars	March 31, 2024	March 31, 2023
Profit after tax	199.89	166.52
<b>Add: Non cash operating expenses and finance cost</b>	<b>70.13</b>	<b>92.51</b>
-Depreciation and amortizations	12.73	32.58
-Finance cost	57.40	59.93
<b>Earnings available for debt services</b>	<b>270.02</b>	<b>259.03</b>
Interest cost on borrowings	57.40	59.93
Installments	75.00	-
<b>Total Interest and installments</b>	<b>132.40</b>	<b>59.93</b>
<b>Ratio</b>	<b>2.04</b>	<b>4.32</b>
<b>% Change from previous year</b>	<b>-53%</b>	

**Reasons for change more than 25%:**

This ratio has increased from 4.32 in March 2023 to 2.04 in March 2024 mainly due to increase in profit after tax and Part repayment of loan

**d) Return on Equity Ratio = Net profit after tax divided by Equity**

Since the total equity is negative, this ratio is not given

**e) Inventory Turnover Ratio = Cost of goods sold divided by closing inventory**

Particulars	March 31, 2024	March 31, 2023
Cost of Goods sold	100.29	129.45
Closing Inventory	13.58	12.22
<b>Inventory Turnover Ratio</b>	<b>7.39</b>	<b>10.59</b>
<b>% Change from previous year</b>	<b>-30%</b>	

**Reason for change more than 25%:**

This ratio has decreased from 10.59 in March 2023 to 7.39 in March 2024 mainly due to decrease in Cost of goods sold and increase in closing inventory

**f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables**

Particulars	March 31, 2024	March 31, 2023
Credit Sales	173.27	158.71
Closing Trade Recievables	42.58	70.28
<b>Ratio</b>	<b>4.07</b>	<b>2.26</b>
<b>% Change from previous year</b>	<b>80%</b>	

**Reason for change more than 25%:**

This ratio has increased from 2.26 in March 2023 to 4.07 in March 2024 mainly due to increase in Credit Sales and decrease in trade receivables.

**g) Trade payables turnover ratio = Credit purchases divided by closing trade payables**

Particulars	March 31, 2024	March 31, 2023
Credit Purchases	499.41	495.72
Closing Trade Payables	237.15	248.50
<b>Ratio</b>	<b>2.11</b>	<b>1.99</b>
<b>% Change from previous year</b>	<b>6%</b>	

**h) Net capital Turnover Ratio = Sales divided by Working capital whereas working capital= current assets - current liabilities**

As the working capital is negative, this ratio is not given

**i) Net profit ratio = Net profit after tax divided by Sales**

Particulars	March 31, 2024	March 31, 2023
Net profit after tax	199.89	166.52
Sales	1,016.52	999.30
Ratio	19.66%	16.66%
<b>% Change from previous year</b>	<b>18%</b>	

**j) Return on Capital employed**

Since the capital employed is negative, this ratio is not given

Note: Return on investment ratio is not applicable for the group.

**Medinova Diagnostic Services Limited**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2024**  
(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**33 Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Act.**

Name of Company	March 31, 2024			March 31, 2023			
	Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)	Net assets, i.e., total assets minus total liabilities		Share in profit/ (loss)	
	Amount	As % of consolidated net assets	Amount	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)
<b>Parent</b>							
Medinova Diagnostic Services Limited	(206.59)	66.12%	76.49	(283.09)	55.12%	63.76	38.11%
<b>Subsidiaries (including step down subsidiaries)</b>							
Medinova Millennium MRI Services LLP	190.94	-61.11%	124.62	66.33	-12.91%	103.53	61.89%
<b>Non-controlling interest in all subsidiaries</b>	-	-	-	-	-	-	-
<b>Total</b>	<b>(15.66)</b>	<b>5.01%</b>	<b>201.11</b>	<b>(216.77)</b>	<b>42.21%</b>	<b>167.30</b>	<b>100.00%</b>
Consolidation adjustments	(296.80)	94.99%	-	(296.79)	57.79%	(0.00)	0.00%
<b>Net amount</b>	<b>(312.46)</b>	<b>100.00%</b>	<b>201.11</b>	<b>(513.57)</b>	<b>100.00%</b>	<b>167.29</b>	<b>100.00%</b>

**Note:**

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impacts on elimination of inter company transactions/ profits/ Consolidation adjustments have been disclosed separately. Based on the group structure, the Management is of the view that the above disclosure is appropriate under requirements of the Act.

**34 Other statutory information**

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Group has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the
  - Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

As per our Report of even date attached

**For M. Anandam & Co.**  
Chartered Accountants  
ICAI Firm registration number: 0001255

For and on behalf of the Board of Directors  
**Medinova Diagnostic Services Limited**  
CIN:L85110TG1993PLC015481

**Madhuri Chimalgi**  
Partner  
Membership Number: 235955

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

**Sunil Chandra Kondapally**  
Managing Director  
DIN: 01409332

Place: Hyderabad  
Date : 26.04.2024

**Nikhil Rajmal Jain**  
Chief Financial Officer

**Hansraj Singh Rajput**  
Company Secretary



**Registered Office:**

**MEDINOVA DIAGNOSTIC SERVICES LIMITED**

H.No. 7-1-58, Unit No. 1/Flat No. 301, 3<sup>rd</sup> Floor,  
Amrutha Business Complex, Ameerpet, Hyderabad,  
Telangana - 500 016. Ph: **040-42604250**

Email: [cs@medinovaindia.com](mailto:cs@medinovaindia.com) | [www.medinovaindia.com](http://www.medinovaindia.com)

**CIN: L85110TG1993PLC015481**