

A D S

DIAGNOSTIC

LTD.

A N N U A L R E P O R T

2009-2010

REQUEST TO MEMBERS

1. Members queries relating to the accounts may please be forwarded to the Company, so as to reach the Registered Office of the Company on or before 10th July, 2010.
 2. Since the cost of paper has increased considerably, it would not be possible to distribute copies of the Annual Report at the meeting. Members are, therefore, requested to bring with them the Annual Report being despatched to them.
 3. Members / their representatives are requested to bring with them the Attendance Slip duly filled in for attending the meeting.
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BOARD OF DIRECTORS:

DR. GAUTAM SEHGAL
Managing Director

DR. (MRS.) VERSHA SEHGAL

DR. VIVEK SEHGAL

MR. RAVI KOHLI

MR. ANIL MITHAL

MR. GIRISH SAREEN

MRS. RADHIKA SEHGAL

MR. N. L. GAYARI

**Vice President - Finance &
Company Secretary**

BANKERS:

Bank of India
D-142, East of Kailash
New Delhi 110065

AUDITORS:

M/s KHATTAR KHANNA & ASSOCIATES
CHARTERED ACCOUNTANTS
M-261, GREATER KAILASH - II
NEW DELHI - 110048

REGISTERED OFFICE:

B-22, KAILASH COLONY
NEW DELHI -110048
INDIA
TEL: 011- 41633127
FAX: 011-29245300

CORPORATE OFFICE:

114, SANT NAGAR
EAST OF KAILASH
NEW DELHI - 110065
TEL: 011-41620434, 41622193
FAX: 011-26448906

NOTICE OF TWENTY FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held on Friday the 16th July, 2010 at 11.30 am at Sikand Hall, Delhi Tuberculosis Association, 9 Institutional Area, Lodhi Road, New Delhi 110003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited statement of accounts for the year ended 31st March, 2010 together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Dr. Gautam Sehgal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. Vivek Sehgal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of the Twenty Fifth Annual General Meeting till conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Special Resolution:

“Resolved that pursuant to the provisions of Section 198 and 309 read with Schedule XIII of the Company Act, 1956, approval of Company be and is hereby accorded for re-appointment of Dr. Gautam Sehgal, as Managing Director of the Company w.e.f. 01.06.2010 for a period of three years and he shall receive remuneration and perquisite as per details hereunder during his tenure from 01-06-2010 To 31-05-2013,.

Salary :- Rs. 1,00,000/- (Rupees One Lac only) – Per Month.

HRA :- 65% of salary or company lease accommodation whichever is higher subject to a limit of Rs. 70,000/- (Rupees Seventy Thousand only), Per Month.

Resolved further that Board of Director be and hereby authorized to make / accept necessary variation in the above said terms of appointment, as may be permissible under the provision of the Companies Act, 1956, from time to time,.

Resolved further that remuneration paid to Dr. Gautam Sehgal as above shall be the minimum remuneration payable to him in the absence or inadequacy of profit during the currency of tenure”.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.

Item 5.

Dr Gautam Sehgal is the Managing director of the company since 01.06.2000. Due to adverse position of the industry he had been drawing a token remuneration of Rs 2/- only up to 30 April 2009. However due to rise in cost of living and other expenses his salary was increased to Rs. 1 Lac by the Board of directors.

It is now proposed to further compensate him for the commendable work done by him helping the company to turn around.

The remuneration committee has in its meeting held on 26.05.2010 revised upward the remuneration of Dr. Gautam Sehgal as specified in the resolution

The company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year.

Statement of Disclosures referred to in clause (iv) to Para 1(C) of Part II, Section II of Schedule XIII to the Companies Act, 1956

General Information :

1	Nature of Industry	Medical Diagnostic and sale and service of Medical Equipment.			
2	Date or expected date of commencement of commercial production	Since date of incorporation i.e. 23 .06.1984			
3.	In case of new companies, expected date of commencement of activity as per project approved by financial institutions appearing in the prospectus	N.A			
4	Financial performance based on given indicators	Rs. in Lacs			
			2007-08	2008-09	2009-10
		Income	261.61	480.26	340.93
		Expenditure	297.24	472.88	330.65
		PBT	-35.63	07.38	10.28
		Provision for Tax	1.50	2.80	1.75
		Provision for Deferred Tax	-19.99	0.24	11.99
	PAT	-17.14	4.34	-3.46	
5	Export performance and net foreign exchange collaborations	N. A.			
6	Foreign investments or collaborators, if any	N. A.			

Information about the appointee:

1	Background details	Dr. Gautam Sehgal is the son of Late Dr. Arjun D. Sehgal, a noted Neuro Surgeon and is himself a M.B.B.S. form J.J.M. Medical College, Karnataka and has been trained at Yale's School of Medicine, U.S.A. He is having more than twenty years of experience in the field of Medicine and has been heading the managerial functions of this company for the last twelve years.
2	Past remuneration	Past remuneration of Dr. Gautam is as under: Basic salary Rs. 1,00,000/- per month since 01.05.2009
3	Recognition or Awards	N. A.
4.	Job profile and his suitability	Dr. Gautam Sehgal is responsible for overall supervision and superintendence of all technical and managerial functions of the company. He is a qualified medical professional and is eminently suitable for the job in hand.

Other information:

5.	Remuneration proposed	<p>Salary:- Rs. 1,00,000/- (Rupees One Lac only)- Per Month.</p> <p>HRA:- 65% of salary or company lease accommodation whichever is higher subject to a limit of Rs. 70,000/-(Rupees Seventy Thousand only), Per Month.</p> <p>Further, Board of Director be and hereby authorized to make / accept necessary variation in the above said terms of appointment, as may be permissible under the provision of the Companies Act, 1956, from time to time.</p> <p>The remuneration paid to Dr. Gautam Sehgal as above shall be the minimum remuneration payable to him in the absence or inadequacy of profit during the currency of tenure.</p>
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with the country of his origin)	The remuneration in similar industries is much more than the remuneration proposed in the company.
7.	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial Personnel, if any.	No relationship except with Dr. Vivek Sehgal, Dr. (Mrs.) Versha Sehgal and Ms. Radhika Sehgal who are relatives within the meaning of Section 6 of the Companies act,1956.

1.	Reasons of loss or inadequate profits	The company is operating in competitive market.
2.	Steps taken or proposed to be taken for improvement	Efforts are being made to increase revenue by aggressive marketing of its Sale & Service products.
3.	Expected increase in productivity and profits in measurable terms.	The company expects to grow under the guidance of Dr. Gautam Sehgal's experience and know-how.

Disclosures

1.	The shareholders of the company shall be informed of the Remuneration package of the managerial person.	Informed vide Notice of this Annual General Meeting.
2.	<p>The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report:</p> <p>a) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors.</p> <p>b) Details of fixed component and performance linked incentives along with the performance criteria;</p> <p>c) Service contracts, notice period, severance fees;</p> <p>Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.</p>	The necessary details are provided in the Director's Report.

The Board of Directors recommends the resolution as set out above for your approval.

The above may be treated as an abstract of the terms of appointment of Dr. Gautam Sehgal under section 302 of the Act.

None of the Directors except Dr. Gautam Sehgal, Dr. (Mrs.) Versha Sehgal, Dr. Vivek Sehgal and Mrs. Radhika Sehgal are concerned or interested in the resolution.

Inspection

Memorandum and Articles of Association of the company and other document if any, are available for inspection at corporate office of the company between 10:30AM and 12:30 PM on all working days except Sunday and Holidays.

NOTES

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A blank proxy form is enclosed.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 12th July, 2010 to 16th July, 2010 (both days inclusive).
3. Members are requested to intimate the change of address, if any.

**By ORDER OF THE BOARD
For ADS DIAGNOSTIC LIMITED**



**N. L. Gayari
Vice President - Finance &
Company Secretary**

Place : New Delhi
Dated: 26th May, 2010.

DIRECTORS' REPORT

TO THE MEMBERS:

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the audited accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS	2009-2010	2008-2009
	(Rs.)	(Rs.)
Operating Income	34092894.48	48025575.12
Profit before Interest & Depreciation	6123314.02	6190956.46
Less: a) Interest	1508688.15	1691253.87
b) Depreciation	3586140.31	3761568.11
Net Profit / (Loss) before Taxation	1028485.56	738134.48
Provision for Income Tax	175000.00	80000.00
Fringe Benefit Tax	0.00	200000.00
Provision for Deferred Tax	1199651.00	23911.00
Net Profit / (Loss) after Taxation	(346165.44)	434223.48
Add: Balance of Profit / (Loss) Brought Forward from previous years	(717512.27)	(2325246.75)
Less: Transfer to General Reserve	0.00	0.00
Add : Excess / (Short) Provision for Income Tax for Previous Years	(10753.00)	0.00
Add: Gratuity Fund surplus on adoption of revised AS 15	0.00	1173511.00
Balance carried to Balance Sheet	(1074430.71)	(717512.27)

OPERATIONS:

The operational income of the Company has decreased from Rs. 480.26 lacs to Rs. 340.93 lacs in the current year. Income from scanning business has decreased from Rs. 92.14 lacs to Rs. 41.88 lacs during the year under review. The income from trading and servicing was Rs. 188.44 lacs as against Rs. 348.45 lacs for the previous year. While Distribution Commission was Rs.101.88 lacs as against Rs.38.10 lacs last year. Overall income has decrease by Rs. 139.33 lacs.

INCOME FROM NON DIAGNOSTIC BUSINESS:

The Company has won the tenders for supply of Medical Equipment and hence the income from sales and services has picked up resulting in profit before Tax of Rs. 10.28 lacs for the year under review. The Board of Directors are hopeful to win the tenders in the year 2010-11 by which performance of the company will improve further.

DIVIDEND:

Due to past losses the Board expresses their inability to recommend any dividend for the year 2009-2010.

LISTING:

Shares of your Company continue to be listed on Bombay Stock Exchange Limited, Mumbai and the listing fee has been paid for the year 2010-2011 in the month of April, 2010.

DIRECTORS:

Dr. Gautam Sehgal & Dr. Vivek Shegal, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

The Board recommends to the shareholders the reappointments of the above-mentioned Directors.

THE DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT (AMENDMENT) ACT, 2000

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation related to material departures;
- ii) That the Directors have selected sound accounting policies and applied them consistently and made adjustments and estimates that were reasonable and prudent so as to give a fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit and Loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

AUDITORS' REPORT AND RE-APPOINTMENT OF AUDITORS

The Auditors, M/s Khattar Khanna & Associates, Chartered Accountants, New Delhi hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. They have furnished a certificate to the effect that their re-appointment, if made, will be in accordance with Section 224 (1B) of the Companies Act, 1956.

The observation of Auditors and Notes on Accounts are self-explanatory.

EMPLOYEES PARTICULARS

The Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1999 as amended by Amendment Rules, 2002 do not apply, as none of the employees of the Company was paid a salary of Rs. 2,00,000/- or more per month, if employed for part of the year or Rs. 24,00,000/- per annum, if employed through out the year.

FIXED DEPOSITS

The Company has not accepted any deposits under Section 58A of Companies Act, 1956 during the financial year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo is given in the Annexure forming part of this Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the co-operation and assistance extended by the Bankers, the Medical Professionals and the Staff.

For and on behalf of the Board of Directors



Dr. Gautam Sehgal
Managing Director



Dr. (Mrs.) Versha Sehgal
Director

Place: New Delhi
Date : 26th May, 2010.

ANNEXURE TO DIRECTOR'S REPORT

I. CONSERVATION OF ENERGY

	Year ended 31.03.2010	Year ended 31.03.2009
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Power and Fuel Consumption

(a)	Electricity Purchased		
	Units Purchased	67079	83720
	Total Amount (Rs.)	371227.00	572928.00
	Rate/Unit Delhi (Rs.)	6.68	5.28
	Rate/Unit Faridabad (Rs.)	5.00	5.07
(b)	Through Diesel Generator		
	Units Generated	635	9982
	Units/Litre of Diesel (Rs.)	1.12	1.12
	Cost/Unit (Rs.)	18.00	16.20

II. TECHNOLOGY ABSORPTION

The Company is in Medical Diagnostic Services, Trading of Medical Equipments and their Servicing and Installation. During the year no technology was imported.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
i) Earnings:		
Commission Income	9898404.00	2320579.00
Commissioning & Installation	1035997.00	2940120.00
ii) Outgo:		
Import of Goods on CIF basis	11069308.00	22113608.00
Traveling Expenses	1037835.00	344450.67

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

The Company is a responsible citizen and endeavors to follow procedures and practices, which will enhance shareholders' value and try to give the best value to all shareholders.

BOARD OF DIRECTORS

Composition of Board of Directors as on 31st March, 2010:

Categories	No. of Directors	%
1. Promoters and Founder Directors / Managing Director	4	57%
2. Non Executive Independent Directors	3	43%

The abbreviated resume of Directors seeking re-appointment are as under:-

Dr. Gautam Sehgal, MBBS is one of the Promoter Directors of the Company. He has more than 20 years of experience in the medical and hospital services. He is also the promoter of two Private Limited Companies. Dr. Gautam Sehgal is the Managing Director of the Company since June, 2000.

Dr. Vivek Sehgal, MBBS, MD (Radiology) is one the Promoter Directors of the Company. He is associated with the Company since the last 20 years. Dr. Vivek Sehgal is a Professor of Neuro Radiology at Wayne State University, USA. He is having more than 22 years of experience in the filed of Medical Diagnsotic Services. He is author of many articles published in the leading International Medical Journals.

Attendance of each director at the Board of Directors Meeting, Last AGM and No. of Other Directorship

Sl. No.	Director	Sitting Fee (Rs.)	Nos. of Board Meetings Held	Nos. of Board Meetings Attended	Last AGM Attended Yes/No	No. of Other Directorship
1	Dr. (Mrs.) Versha Sehgal	0	5	4	No	2
2	Dr. Vivek Sehgal	0	5	NIL	No	1
3	Dr. Gautam Sehgal	0	5	4	Yes	3
4	Mr. Ravi Kohli	0	5	4	No	1
5	Mr. Anil Mithal	5000	5	5	No	2
6	Mr. Girish Sareen	5000	5	5	No	4
7	Mrs. Radhika Sehgal	3000	5	3	No	2

During the financial year 1st April, 2009 to 31st March, 2010, the meetings of the Board were held on 05.05.2009, 27.06.2009, 31.07.2009, 31.10.2009 and 30.01.2010.

The Company has set up three Committees of Board of Directors in accordance with Clause 49 of the Listing Agreement, namely "The Audit Committee", "The Remuneration Committee" and "The Investors' Grievance Committee". All the Committees are headed by Independent Directors respectively.

Audit Committee

As per the provisions of Section 292A of the Companies Act, 1956, Board on 31st December, 2002 constituted the Audit Committee. The Audit Committee held four meetings during the year 2009-2010. Composition of the Audit Committee and the attendance of the members at its meetings are given below:

Member	Position	No. of meeting attended
Mr. Ravi Kohli	Chairman	3
Mr. Anil Mithal	Member	4
Mr. Girish Sareen	Member	4

The Audit Committee Meetings were held on 27.06.2009, 31.07.2009, 31.10.2009 and 30.01.2010. The Statutory Auditors are invited in the meetings, as required. The Company Secretary acts as the Secretary of the Audit Committee.

The broad terms of reference of the Audit Committee are as follows:

1. Review of the Company's financial position, financial reporting process and its financial statements.
2. Review of the accounts and the financial policies and practices.
3. Review of the internal controls and internal audit systems.

Remuneration Committee

The Remuneration Committee consists of the following members:

1. Mr. Girish Sareen, Chairman
2. Mr. Ravi Kohli, Member
3. Mr. Anil Mithal, Member

The non executive directors of the Company do not draw any remuneration from the Company other than sitting fees and also the Chairman of Audit Committee has foregone sitting fee payable for attending the Board Meetings and Committee Meetings.

Investors'/Shareholders' Grievance Committee

The Investors' Grievance Committee was constituted to look into the redressal of investor complaints like non receipts of Annual Reports, issue of Duplicate Share Certificates and other allied transactions. Composition and attendance of the Investors'/Shareholders' Grievance Committee is given below:

Member	Position	No. of meeting attended
Mr. Anil Mithal	Chairman	4
Mr. Ravi Kohli	Member	3
Mr. Girish Sareen	Member	4

Details of Investors'/Shareholder's Complaints:

Number of complaints received during the year : 14
Number of Complaints resolved : 14
Maximum time taken for resolving/redressing the complaints was 30 days.

General Body Meetings

Details of the location of the last three AGMs :

a. Particulars of last three Annual General Meetings:

Financial Year	Date	Time	Location
2008-2009	September 29, 2009	11:30 a.m	Sikand Hall Delhi Tuberculosis Association 9, Institutional Area Lodhi Road New Delhi 110003
2007 - 2008	September 30, 2008	11:30 a.m.	-do-
2006 - 2007	September 28, 2007	11:30 a.m.	-do-

Means of Communication

Half yearly and quarterly results of the Company are published in "The Pioneer" in English and "Vir Arjun" in Hindi.

General Shareholder Information

- AGM: Date, Time & Venue
Friday the 16th July, 2010 at 11:30 am at
Sikand Hall
Delhi Tuberculosis Association
9, Institutional Area, Lodhi Road
New Delhi 110003
- Date of Book Closure
12th July, 2010 to 16th July, 2010.
(both days inclusive)
- Listing of Stock Exchange
Bombay Stock Exchange Limited.
Security Code 523031
- Company Registrar and Transfer Agent
Company has in-house Transfer Arrangements.
- Distribution of Shareholding pattern
As on 31st March, 2010.
As per Annexure "A"
- Address for Correspondence
B-22, Kailash Colony, New Delhi 110048
- Location of Center
ADS Diagnostic Centre
B-22, Kailash Colony, New Delhi 110048
- Stock Market Data
Shares of Company are not actively Traded

For and on behalf of the Board of Directors



**DR. GAUTAM SEHGAL
MANAGING DIRECTOR**



**DR. (MRS.) VERSHA SEHGAL
DIRECTOR**

Place : New Delhi
Dated: 26th May, 2010.

Annexure "A"

(i) The distribution of shareholdings as on 31st March, 2010 is as follows:

Shares Holding of Nominal Value of Rs.	No. of Folios	%	No. of Shares Held	Percentage of Total Shares
Upto 2500	4612	83.445	586705	26.756
2501-5000	665	12.032	247660	11.294
5001- 10000	181	3.275	144800	6.603
10001-20000	41	0.742	57125	2.605
20001-30000	7	0.127	17100	0.780
30001-40000	2	0.036	7000	0.319
40001-50000	1	0.018	5000	0.228
50001-100000	6	0.109	40500	1.847
100001-& above	12	0.217	1086910	49.568
Grand Total	5527	100.00	2192800	100.00

(ii) Shareholding pattern as on 31st March, 2010 is as follows:

Category	No. of Shares	%
Indian Promoters	991610	45.22
Mutual Funds/Financial Institutions/Banks	100000	4.56
Private Corporate Bodies	7200	0.33
Indian Public	1093990	49.89
Total	2192800	100.00

Declaration under Clause 49-1 (D) of the listing agreement

To

The Members of ADS Diagnostic Ltd.

I Dr. Gautam Sehgal, Managing Director of the Company hereby declare that all the Members of the Board and the Senior Management personnel of the Company affirmed compliances with the provisions of Code of Conduct during the financial year ended 31st March, 2010.



**DR. GAUTAM SEHGAL
MANAGING DIRECTOR**

Place: New Delhi
Date: 26th May, 2010.

Management Discussion & Analysis Report

The Management of ADS Diagnostic Ltd., have pleasure in presenting its analysis report covering its 02 (Two) Divisions.

- a) Medical Diagnostic Services.
- b) Sales & Service of Medical Equipments.

A) Medical Diagnostic Service Division:-

- The Medical Diagnostic Services have stiff competition with Small & Big Centers in and around Delhi, with the result of, some of the Centers have shut down because of high cost Equipments, maintenance and Spare Parts, and lower margin. The company is gradually phasing out / closure of Diagnostic Services Division due to the stiff competition and lower margin / reduction in margin of SCAN.
- **The Opportunity:-** The outlook of diagnostic centers are not encouraging and many more centers will stop the Diagnostic business in near future because of stiff competition and high cost of Equipments vis-à-vis revenue earned there from.
- **Professional Income:-** The Professional Income of diagnostic services has been reduced to Rs. 41.88 Lacs from Rs. 92.14 Lacs in previous year and management has decided not to renew its contract with Escort Hospital, Faridabad. The company has reduced manpower accordingly.

B) Medical Equipments Sales & Services Division:-

- This Division of the company has performed satisfactorily during the current year. However, the revenue from this division has decreased from Rs. 386.55 Lacs to Rs. 290.32 Lacs and the management is hopeful to increase revenue from this division further in coming years as more & more Equipment will be purchased by the Government hospitals to provide health for all the citizen by year 2012. The outlook of this division is very bright and company will be able to earn more revenue from this division. Management expects increase in attrition of technical person due to more competitors coming in this field. However it is making efforts to retain talent by suitable incentives.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of ADS DIAGNOSTIC LTD.

We have examined the compliance of the conditions of Corporate Governance by ADS DIAGNOSTIC LIMITED for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

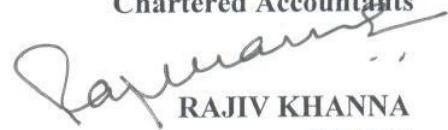
The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We have been explained that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KHATTAR KHANNA & ASSOCIATES
Chartered Accountants



RAJIV KHANNA
Partner

Membership No: 091611
Firm Registration No.: 014731N

Place : New Delhi
Date : 26th May, 2010



AUDITORS' REPORT

TO THE MEMBERS OF ADS DIAGNOSTIC LIMITED

We have audited the attached Balance Sheet of ADS Diagnostic Ltd. as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by the Companies (Auditors' Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account *except the non-provision of bonus payable for the year in terms of the provisions of The Payment of the Bonus Act, 1965 (Refer Significant Accounting Policy No. 7 and Note 11), the non compliance of provisions of the Accounting Standard (AS - 15) (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India, in respect of the Provision for Leave Encashment under Actuarial Valuation using the Projected Unit Credit Method at the year end (Refer Significant Accounting Policy No. 8.B.i. and Note 13),* as stipulated under section 209 of the Companies Act, 1956, as required by law, have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3)(C) of the Companies Act, 1956, to the extent applicable and / or stated otherwise.
 - e) On the basis of written representation received from the Directors of the Company as at 31st March, 2010 and taken on record by the Board of Directors, we report that none of Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



f) In our opinion and to the best of our information and according to the explanation given to us, the said accounts subject to;

- (i) *Note 1 and Note 7a. regarding non-provision of liability in respect of redemption fine imposed by the Commissioner of Customs II, New Delhi.*
- (ii) *Note 2 and Note 7b. regarding the dispute on imposition of Custom Duty on import of certain Medical Equipments.*
- (iii) *Note 3 and Note 7c. regarding non-provision of liability in respect of the appeal filed by the Income Tax Authorities, New Delhi.*
- (iv) *Note 5 regarding debit and credit balances, which are subject to confirmation.*
- (v) *Note 11 regarding non-provision of bonus payable as per the terms of The Payment of Bonus Act, 1965 of Rs. 0.16 Lacs.*
- (vi) *Note 13 regarding non-provision of Leave Encashment in accordance with the terms of the Accounting Standard (AS – 15) (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India, wherein the liability has not been determined under the Actuarial Valuation Method at the year end.*


give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India:

- (i) In the case of the Balance Sheet, of the STATE OF AFFAIRS of the Company as at 31st March 2010;
- (ii) In the case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement of the CASH FLOW for the year ended on that date.

For KHATTAR KHANNA & ASSOCIATES
Chartered Accountants

Place : New Delhi
Date : 26th May, 2010




RAJIV KHANNA
Partner
Membership No: 091611
Firm Registration No.: 014731N

ADS DIAGNOSTIC LIMITED, NEW DELHI

ANNEXURE TO AUDITORS' REPORT

Referred to in Para 1 of our report of even date.

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and the situation of its Fixed Assets on the basis of the information available;
- b) According to the information and explanations given to us, physical verification of Fixed Assets is being conducted in a phased manner by the Management under a programme designed to cover all the Fixed Assets over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account;
- c) The assets disposed off and / or retired during the year are not that substantial a part of the fixed assets that they affect the going concern status of the Company.
- 2 a) We have been informed that the stock of X-ray films, Medicines, Developing Materials and Stores & Spares are being physically verified by the Management at reasonable intervals;
- b) In our opinion and according to the information and explanations given to us, the procedure followed by the Management for physical verification of stocks was reasonable and adequate in relation to the size of the Company and the nature of its business;
- c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. The discrepancies between the physical stocks and the book stocks were not material and the same have been properly dealt with in the books of account.
- 3 a) During the year, the Company has not granted any loans to parties listed in the register maintained under Section 301 of the Companies Act, 1956;
- b) The Company has taken unsecured loans from Three of its Directors, at different times during the year, aggregating to Rs. 87.30 Lacs during the year and the balance outstanding at the year end was Rs. 122.10 Lacs.
- c) In our opinion and according to the information and explanations given to us, the terms and conditions of these interest free loan are not prima facie prejudicial to the interest of the Company;
- d) In our opinion and according to the information and explanations given to us, the principal amount in respect of these interest free loan are repayable only on demand;
- e) There is no overdue amount in respect of loans taken by the Company from three of it's Directors, as these are repayable on demand.



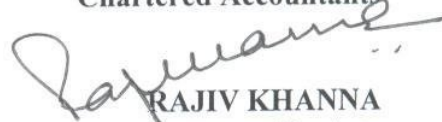
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5 a) According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangement, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered;
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five Lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6 The Company has not accepted any deposit from the public.
- 7 In our opinion, the Internal Audit System is commensurate with the size of the Company and the nature of its business, though the scope of work needs to be further extended.
- 8 It has been informed to us that the Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956, for the products of the Company.
- 9 a) According to the records, information and explanations provided to us, the Company is generally regular in depositing with the appropriate authorities undisputed amounts of provident fund, investor education protection fund, income tax, sales tax, service tax, customs duty and other statutory dues applicable to it and no undisputed amounts payable were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable;
- b) According to the information and explanations given to us, the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statutory Due	Forum Where Dispute is Pending	Unpaid Amount (Rs. in lacs)
1	Income Tax	High Court	18.73
2	Customs Duty	Commissioner of Customs	40.00
		Commissioner of Directorate of Revenue Intelligence	56.02



- 10 The Company has accumulated losses of Rs. 10.74 Lacs but has not incurred any cash loss during the financial year covered by our audit or in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the Bank.
- 12 According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, provisions of Clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- 14 In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
- 15 On the basis of the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16 To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained.
- 17 According to the information and explanations given to us and on the overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.
- 18 According to the information and explanations given to us, no preferential allotment of shares has been made by the Company during the year.
- 19 The Company has not issued any debentures during the year. Therefore, the provisions of clause (xix) of Paragraph 4 of the Order are not applicable to the Company.
- 20 The Company has not raised any monies by way of public issue during the year.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **KHATTAR KHANNA & ASSOCIATES**
Chartered Accountants


RAJIV KHANNA

Partner

Membership No.: 091611

Firm Registration No.: 014731N

Place : New Delhi
Date : 26th May, 2010



ADS DIAGNOSTIC LTD.
BALANCE SHEET FOR THE YEAR ENDING 31ST MARCH 2010

PARTICULARS	SCH.	AS AT 31.03.2010 (In Rs.)	AS AT 31.03.2009 (In Rs.)
SOURCES OF FUNDS			
Share Capital	A	22,450,500.00	22,450,500.00
LOAN FUNDS			
Secured Loans	B	687,997.97	1,616,397.47
Unsecured Loans	C	16,473,616.38	14,445,789.73
Deferred Tax Liability		931,116.00	(268,535.00)
TOTAL		<u>40,543,230.35</u>	<u>38,244,152.20</u>
APPLICATION OF FUNDS			
Fixed Assets	D		
(a) Gross Block		75,065,883.15	76,506,903.15
(b) Less: Depreciation		<u>58,900,442.31</u>	<u>55,594,872.01</u>
(c) Net Block		16,165,440.84	20,912,031.14
Current Assets, Loans and Advances	E	32,181,767.07	37,039,091.35
Less: Current Liabilities	F	<u>8,878,408.27</u>	<u>20,424,482.56</u>
Net Current Assets		23,303,358.80	16,614,608.79
Profit and Loss Account		1,074,430.71	717,512.27
TOTAL		<u>40,543,230.35</u>	<u>38,244,152.20</u>
Notes on Accounts	M		
Accounting Policies	N		

As per our report of even date
For **KHATTAR KHANNA & ASSOCIATES**
Chartered Accountants



RAJIV KHANNA
PARTNER
Membership No: 091611
Firm Registration No: 014731N

Place : New Delhi
Date : 26th May, 2010




DR. GAUTAM SEHGAL
MANAGING DIRECTOR

FOR AND ON BEHALF OF THE BOARD


DR. (MRS.) VERSHA SEHGAL
DIRECTOR


N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY

ADS DIAGNOSTIC LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2010

PARTICULARS	SCH.	AS AT 31.03.2010 (In Rs.)	AS AT 31.03.2009 (In Rs.)
INCOME			
Business Income	G	33,219,702.18	47,869,543.00
Other Income	H	873,192.30	156,032.12
TOTAL		34,092,894.48	48,025,575.12
EXPENDITURE			
Cost of Materials Consumed	I	13,980,576.78	27,799,640.87
Payments to Employees	J	5,568,479.71	3,757,186.00
Administrative and Other Expenses	K	8,420,523.57	10,277,791.79
Financial Charges	L	1,508,688.15	1,691,253.87
TOTAL		29,478,268.21	43,525,872.53
Profit before Depreciation		4,614,626.27	4,499,702.59
Depreciation for the Year		3,586,140.71	3,761,568.11
Profit/(Loss) Before Taxation.		1,028,485.56	738,134.48
Less : Provision for Taxation			
Current Tax		175,000.00	80,000.00
Fringe Benefit Tax		-	200,000.00
Deferred Tax		1,199,651.00	23,911.00
Profit / (Loss) after Taxation.		(346,165.44)	434,223.48
Add: Balance of Profit Brought Forward from Previous Year		(717,512.27)	(2,325,246.75)
Add: Gratuity Fund Surplus on the Adoption Revised Accounting Standard (AS - 15)		-	1,173,511.00
Excess / (Short) Provision of Income Tax for Previous Years		(10,753.00)	-
Balance Carried to Balance Sheet		(1,074,430.71)	(717,512.27)
Earning per Share (Equity Shares, par value Rs. 10 each)			
Basic & Diluted		(0.16)	0.20
Number of Shares used in computing Earning per Share			
Basic & Diluted		2,192,800	2,192,800
Notes on Accounts	M		
Accounting Policies	N		

As per our report of even date

For **KHATTAR KHANNA & ASSOCIATES**
Chartered Accountants

Rajiv Khanna
RAJIV KHANNA
PARTNER

Membership No: 091611
Firm Registration No: 014731N

Place : New Delhi
Date : 26th May, 2010



FOR AND ON BEHALF OF THE BOARD

Dr. Gautam Sehgal
DR. GAUTAM SEHGAL
MANAGING DIRECTOR

Versha Sehgal
DR. (MRS.) VERSHA SEHGAL
DIRECTOR

N. L. Gayari
N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY

ADS DIAGNOSTIC LTD.
Cash Flow Statement for the year ended 31st March, 2010

		Figures for the Year Ending 31.03.2010		Figures for the Year Ending 31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extra Ordinary Items	(+)	1,028,485.56	(+)	738,134.48
Adjustments for :				
Depreciation	(+)	3,586,140.71	(+)	3,761,568.11
Diminution in Value of Impaired Asset	(+)	250,000.00	(+)	500,000.00
Provision for Employee Benefits	(+)	-	(+)	30,426.00
Interest Paid	(+)	961,801.65	(+)	1,419,275.07
Interest Received	(-)	251,647.89	(-)	85,204.12
Profit of Sale of Fixed Assets	(-)	278,014.41	(+)	-
Operating Profit before Working Capital Changes	(+)	5,296,765.62	(+)	6,364,199.54
Adjustments for :				
Trade and Other Receivables	(+)	8,188,185.72	(-)	7,256,705.63
Inventories	(-)	3,067,079.64	(+)	1,663,915.78
Trade Payables	(-)	11,795,704.78	(+)	6,690,644.07
Cash Generated from Operations	(-)	1,377,833.08	(+)	7,462,053.76
Direct Taxes Paid	(+)	103,551.00	(-)	741,068.00
Net Cash Flow from Operating Activities	(-)	1,274,282.08	(+)	6,720,985.76
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(-)	121,536.00	(-)	59,749.00
Interest Received	(+)	251,647.89	(+)	85,204.12
Sale of Fixed Assets	(+)	1,560,000.00	(+)	-
Net Cash Flow from Investing Activities	(+)	1,690,111.89	(+)	25,455.12
C. CASH FLOW FROM FINANCING ACTIVITIES				
Movement in Long Term Borrowing	(+)	1,099,427.15	(-)	4,074,507.46
Book Overdraft	(+)	74,630.49	(-)	473,966.76
Interest Paid	(-)	961,801.65	(-)	1,419,275.07
Net Cash Used in Financing Activities	(+)	212,255.99	(-)	5,967,749.29
Net Increase/(Decrease) in Cash and Cash Equivalents	(+)	628,085.80	(+)	778,691.59
Cash and Cash Equivalents as at 1st April	(+)	3,062,735.14	(+)	2,284,043.55
Cash and Cash Equivalents as at 31st March	(+)	3,690,820.94	(+)	3,062,735.14

Notes :

1. Previous year figures have been regrouped wherever necessary.
2. Cash and Cash Equivalents include Balance with Banks in Current and Deposit Accounts.

As per our report of even date
For KHATTAR KHANNA & ASSOCIATES
Chartered Accountants

RAJIV KHANNA
PARTNER
Membership No: 091611
Firm Registration No: 014731N

Place : New Delhi
Date : 26th May, 2010



FOR AND ON BEHALF OF THE BOARD

(Signature)
DR. GAUTAM SEHGAL
MANAGING DIRECTOR

(Signature)
N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY

(Signature)

DR. (MRS.) VERSHA SEHGAL
DIRECTOR

ADS DIAGNOSTIC LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<u>SCHEDULE-A</u>		
SHARE CAPITAL		
<u>AUTHORISED</u>		
30,00,000 Equity Shares of Rs. 10/- Each	<u>30,000,000.00</u>	<u>30,000,000.00</u>
<u>ISSUED, SUBSCRIBED AND PAID UP</u>		
22,97,300 Equity Shares of Rs. 10/- Each Fully Paid up	22,973,000.00	
LESS: SHARES FORFEITED		
1,04,500 Equity Shares of Rs. 10/- Each	<u>1,045,000.00</u>	
	21,928,000.00	21,928,000.00
ADD : FORFEITED SHARES		
Amount Originally Paid Up	522,500.00	522,500.00
	<u><u>22,450,500.00</u></u>	<u><u>22,450,500.00</u></u>

SCHEDULE-B

SECURED LOANS

Term Loan from Bank of India (Guaranteed by Three Directors) Secured by hypothecation of all Machinery and Equipment particularly Whole Body CT Scanner and Equitable mortgage of immovable property belonging to Two Directors of the Company (Amount Due for Repayment within One Year Rs. 266,837)	687,997.97	1,616,397.47
	<u><u>687,997.97</u></u>	<u><u>1,616,397.47</u></u>



N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY



DR. GAUTAM SEHGAL
MANAGING DIRECTOR



DR. (MRS.) VERSHA SEHGAL
DIRECTOR



ADS DIAGNOSTIC LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE-C		
UNSECURED LOANS		
FROM DIRECTORS		
Dr. Vivek Sehgal Loan	2,451,813.00	2,451,813.00
Dr. (Mrs.) Versha Sehgal Loan	4,890,236.00	4,969,713.00
Dr. Gautam Sehgal Loan	4,867,725.00	2,102,725.00
FROM OTHERS		
Kotak Mahindra Bank Limited	491,351.00	1,003,867.00
ICICI Bank Limited	193,107.00	564,415.18
HDFC Bank Limited	649,931.30	1,096,217.71
ABN Amro Bank Limited	1,024,529.08	1,279,805.84
Cholamandalam DBS Finance Limited	454,426.00	977,233.00
Tata Capital Limited	1,450,498.00	-
	16,473,616.38	14,445,789.73



N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY



DR. GAUTAM SEHGAL
MANAGING DIRECTOR



DR. (MRS.) VERSHA SEHGAL
DIRECTOR



ADS DIAGNOSTIC LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010

SCHEDULE - D

FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.2009 Rs.	Additions/ Adjustments Rs.	Deductions Rs.	As At 31.03.2010 Rs.	As At 01.04.2009 Rs.	For the Year Rs.	Deductions/ Adjustments Rs.	As At 31.03.2010 Rs.	As At 31.03.2010 Rs.	As At 31.03.2009 Rs.
Plant & Machinery	70,126,943.25	0.00	1562556.00	68,564,387.25	51,526,282.15	3,226,808.36	280,570.41	54,472,520.10	14,091,867.15	18,600,661.10
Medical Equipments	935,059.63	0.00	0.00	935,059.63	670,152.80	51,155.90	0.00	721,308.70	213,750.93	264,906.83
Office Equipments	634,297.59	66,806.00	0.00	701,103.59	323,115.11	27,621.93	0.00	350,737.04	350,366.55	311,182.48
Electrical Fittings	570,196.41	0.00	0.00	570,196.41	326,247.43	26,432.40	0.00	352,679.83	217,516.58	243,948.98
Vehicles	1,210,983.50	0.00	0.00	1,210,983.50	803,250.66	50,448.80	0.00	853,699.46	357,284.04	407,732.84
Furniture & Fittings	1,781,936.77	0.00	0.00	1,781,936.77	1,085,221.53	102,657.83	0.00	1,187,879.36	594,057.41	696,715.24
Computer	1,247,486.00	54,730.00	0.00	1,302,216.00	860,602.33	101,015.49	0.00	961,617.82	340,598.18	386,883.67
	76,506,903.15	121,536.00	1,562,556.00	75,065,883.15	55,594,872.01	3,586,140.71	280,570.41	58,900,442.31	16,165,440.84	20,912,031.14
Previous Year	76,447,154.15	59,749.00	0.00	76,506,903.15	51,833,303.90	3,761,568.11	0.00	55,594,872.01	20,912,031.14	24,613,850.25

N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY



DR. GAUTAM SEHGAL
MANAGING DIRECTOR

DR. (MRS.) VERSHA SEHGAL
DIRECTOR

ADS DIAGNOSTIC LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE-E		
CURRENT ASSETS, LOANS AND ADVANCES		
A. CURRENT ASSETS		
1. INVENTORIES		
(As Certified by the Management)		
-Diagnostic Inventory	354,639.00	
-Trading Inventory	<u>11,804,737.00</u>	
	12,159,376.00	9,092,296.36
2. CASH AND BANK BALANCES		
-Cash in Hand	424,867.00	587,558.00
Balance with Scheduled Banks		
-In Current Accounts	24,003.94	15,187.14
-In Deposit Accounts	3,241,950.00	2,459,990.00
3. SUNDRY DEBTORS		
(Unsecured, Considered good)		
Debts outstanding for a period exceeding		
Six Months	782,418.00	
Other Debts	<u>5,988,498.00</u>	
	6,770,916.00	14,991,059.00
(Total A)	<u><u>22,621,112.94</u></u>	<u><u>27,146,090.50</u></u>
B. LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	6,355,946.50	6,397,032.50
Prepaid Expenses	7,800.00	41,571.00
Security Deposits	1,113,600.00	1,096,600.00
Advance Tax	1,887,879.00	2,002,183.00
(Total B)	<u><u>9,365,225.50</u></u>	<u><u>9,537,386.50</u></u>
C. OTHER CURRENT ASSETS		
Plant & Machinery Retired (at Lower or Net Book Value and Estimated Net Realisable Value)	-	250,000.00
(Refer to Note 17 of Schedule M)		
Interest Accrued But Not Received	195,428.63	105,614.35
(Total C)	<u><u>195,428.63</u></u>	<u><u>355,614.35</u></u>
GRAND TOTAL (A+B+C)	<u><u>32,181,767.07</u></u>	<u><u>37,039,091.35</u></u>


N. L. GAYARI
 VICE PRESIDENT (FINANCE) &
 COMPANY SECRETARY


DR. GAUTAM SEHGAL
 MANAGING DIRECTOR


DR. (MRS.) VERSHA SEHGAL
 DIRECTOR



ADS DIAGNOSTIC LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<u>SCHEDULE-F</u>		
<u>CURRENT LIABILITIES, AND PROVISIONS</u>		
(A) CURRENT LIABILITIES		
Book Overdraft in Bank Accounts	915,020.22	840,389.73
Sundry Creditors	2,871,687.07	14,359,867.65
Advance from Customers	3,497,445.98	3,631,784.18
Other Liabilities	762,921.00	942,009.00
Provision for Leave Encashment	21,334.00	15,432.00
(B) PROVISIONS		
Income Tax	260,000.00	85,000.00
Fringe Benefit Tax	550,000.00	550,000.00
	<u>8,878,408.27</u>	<u>20,424,482.56</u>


N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY


DR. GAUTAM SEHGAL
MANAGING DIRECTOR


DR. (MRS.) VERSHA SEHGAL
DIRECTOR



ADS DIAGNOSTIC LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDING 31.03.2010

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
<u>SCHEDULE- G</u>		
<u>BUSINESS INCOME</u>		
Income from Diagnostic Services	4,187,538.00	9,213,599.00
Sale of Trading Goods	16,519,966.00	31,294,266.00
Servicing and Installation Income	2,323,970.18	3,551,075.00
Distribution Commission	10,188,228.00	3,810,603.00
	<u>33,219,702.18</u>	<u>47,869,543.00</u>

SCHEDULE- H

OTHER INCOME

Amounts Written Back	76,000.00	70,828.00
Interest Received	251,647.89	85,204.12
Profit on Sale of Fixed Assets	278,014.41	-
Miscellaneous Income	267,530.00	-
	<u>873,192.30</u>	<u>156,032.12</u>



N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY



DR. GAUTAM SEHGAL
MANAGING DIRECTOR



DR. (MRS.) VERSHA SEHGAL
DIRECTOR



ADS DIAGNOSTIC LIMITED

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDING 31.03.2010**

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE-I		
COST OF MATERIAL CONSUMED		
A) Material Consumed - Diagnostic Services		
Opening Stock	662,422.00	2,790,330.00
Add: Purchases	811,734.00	1,608,084.00
Less: Closing Stock	354,639.00	662,422.00
	1,119,517.00	3,735,992.00
B) Material Consumed - Trading Goods		
Opening Stock	8,429,874.36	7,965,882.14
Add: Purchases	16,235,922.42	24,527,641.09
Less: Closing Stock	11,804,737.00	8,429,874.36
	12,861,059.78	24,063,648.87
Cost of Material Consumed	13,980,576.78	27,799,640.87

SCHEDULE-J

PAYMENTS TO EMPLOYEES

Salaries and Wages	5,159,516.00	3,251,745.00
Staff Welfare	334,842.71	267,222.00
Contribution to Employees Provident Fund and Other Funds (Refer Schedule M - Note No. 12 and Schedule N - Accounting Policy No. 8).	74,121.00	238,219.00
	5,568,479.71	3,757,186.00


N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY


DR. GAUTAM SEHGAL
MANAGING DIRECTOR


DR. (MRS.) VERSHA SEHGAL
DIRECTOR



ADS DIAGNOSTIC LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDING 31.03.2010

PARTICULARS	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
SCHEDULE-K		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent	47,790.00	803,100.00
Printing and Stationary	249,406.00	174,000.00
Communication Expenses	290,669.00	257,269.15
Electricity and Water Charges	379,968.00	572,928.00
Advertisement and Publicity	85,334.00	95,830.00
Travelling & Conveyance Expenses	2,944,224.26	2,160,961.65
Legal and Professional Charges	238,790.00	720,351.00
Vehicle Maintenance	20,270.00	301,205.00
Freight Charges	194,845.00	54,204.00
General Expenses	716,939.46	291,344.35
Warranty and Maintenance Expenses	584,977.85	109,274.00
Directors Sitting Fees	13,000.00	14,000.00
Business Promotion Expenses	298,861.00	178,951.67
Fines and Penalties	284.00	540.00
Centre Upkeep Charges	311,519.00	600,180.00
Rates, Fees and Taxes	19,374.00	22,882.00
Insurance Charges	72,986.00	56,881.00
Amounts Written Off	382,940.00	880,470.00
Consultancy Charges	1,009,440.00	1,053,073.00
Repair and Maintenance - Plant and Machinery	250,930.00	337,622.00
Running and Maintenance - Generator	11,421.00	161,705.00
Security Expenses	46,555.00	126,426.00
Diminution in Value of Impaired Asset	250,000.00	500,000.00
Exchange Fluctuation	-	804,593.97
TOTAL	8,420,523.57	10,277,791.79


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ADS DIAGNOSTIC LIMITED

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDING 31.03.2010

<u>PARTICULARS</u>	<u>AS AT 31.03.2010</u> <u>(Rs.)</u>	<u>AS AT 31.03.2009</u> <u>(Rs.)</u>
<u>SCHEDULE-L</u>		
<u>FINANCIAL CHARGES</u>		
Bank Charges	546,886.50	271,978.80
Interest on Term Loan	925,324.65	1,359,994.07
Interest to Others	36,477.00	59,281.00
	<u>1,508,688.15</u>	<u>1,691,253.87</u>



N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY



DR. GAUTAM SEHGAL
MANAGING DIRECTOR



DR. (MRS.) VERSHA SEHGAL
DIRECTOR



NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010

SCHEDULE - M

Notes to Accounts :

1. On 16th August, 1995, the Commissioner of Customs II, New Delhi passed an order imposing a redemption fine of Rs. 40 Lacs and also a penalty of Rs. 10 Lacs on South Delhi Cancer Detection and Research Institute, a unit of the Company. Personal penalties amounting to Rs. 5 Lacs each was also imposed on the then Managing Director and the Executive Director respectively and a penalty of Rs. 2 Lacs was also imposed on the then General Manager of the Company.

The Customs, Excise and Gold (Control) Appellate Tribunal, New Delhi heard the case and passed orders asking the Company and the concerned Directors to deposit 50% of the penalty amount and the General Manager to deposit Rs. 18,000/- within two months and the same was deposited on 15th February, 1996. The Tribunal however did not pass any order on the redemption fine imposed on the Company.

The above mentioned stay order of CEGAT as well as the impugned order passed by the Commissioner had been challenged by the Company by way of writ petition before the Delhi High Court. The Hon'ble court on 6th February, 1996 directed the Company to pre deposit the penalty and granted a stay for payment of redemption fine. Accordingly, the Company has pre-deposited an amount of Rs. 5 Lacs in the Government Account.

The CEGAT passed the final order on 19th March, 1999 and allowed the appeal of the Company by way of remanding the matter to the Jurisdictional Commissioner.

The Company has filed a letter with the Commissioner of Customs to verify the necessary records on 4th September, 1999, but there has been no response from the Commissioner of Customs till the date of the Annual Accounts.

Pending final decision in the matter by the adjudicating authority, the actual liability, if any, which may arise, cannot be ascertained and hence not provided for in the books of account. The pre-deposited amount of Rs. 5 Lacs, in the opinion of the Management, is recoverable since the matter is sub-judice.

2. The company had received a show cause notice, from Directorate of Revenue Intelligence, Delhi Zonal Unit on 6th January, 1993 asking the Company to show cause as to why Custom Duty of Rs. 56,01,507/- be not levied on the Company on Import of one Magnetic Resonance Imaging Scanner (MRI) due to the non fulfilment of certain post importation conditions. The Company has submitted its reply to the above show cause notice and no order has been passed by the Adjudicating Authority in the above matter till the date of the Annual Accounts.
3. On 21st May, 2003 the Income Tax Department filed an appeal in the Delhi High Court against an order passed by the Income Tax Appellate Tribunal in favour of the Company in a matter relating to the availment of Investment Allowance Rebate during the assessment year 1988-89,1989-90. The amount of rebate disputed by the Income Tax Department is to the tune of Rs. 18,73,290/-.



In the opinion of the management since the matter is sub-judice and till the time a final decision in the matter is arrived at, which the Management is hopeful would be in favour of the Company, no Provision for the same is required to be made in the book of accounts.

4. In the opinion of the Board, Current Assets, Loans and Advances have at least the value at which these are stated in the Balance Sheet, if realised in the ordinary course of business. During the year the Company has evaluated all customer dues based on various factors considered collectively and has written off amounts due to the Company to the tune of Rs. 3.83 lacs, which are non-recoverable. Further, in the opinion of the Board, the provision for liabilities outstanding as on 31st March, 2010 is adequate and is not in excess of the amount considered necessary and in line with the said evaluation a provision of Rs. 0.76 lacs, which in the opinion of the Board is no longer required, has been written back.
5. Some of the debit and credit balances are pending confirmation and the same have been taken as per the balances appearing in the books. The differences arising on confirmation, if any, as compared to the Company's books, that in the opinion of the Board, are not likely to be material, will be made as and when these accounts are confirmed.

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
6. Contracts pending Execution on Capital Account:		
Estimated amounts of contracts remaining to be executed on capital account and not provided for	0.00	0.00
7. Contingent Liabilities		
a. Custom Authorities Demand against the Company not acknowledged as debt and not provided for in respect of which the Company is in appeal.	40.00	40.00
b. Directorate of Revenue show cause notice contested by the Company.	56.02	56.02
c. Income Tax demand against the Company not acknowledge as debt and not provided for in respect of which the Income Tax Department is in appeal.	18.73	18.73
d. Performance Guarantee given by the Bank of behalf of the Company to Third Parties.	130.26	53.98

The above liabilities at serial number 7a to 7d are dependent upon the outcome of the court / appellate authority / out of court settlement, disposal of appeals, the amount being called up, terms of contractual obligations and raising of demand by concerned authorities. No reimbursement is expected in such cases.



Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
8. Expenses pertaining to Previous Year		
Administrative and Other Expenses	0.04	0.09
9. Managerial Remuneration		
Managing Director	11,00,002.00	24.00
10. The Cash Flow Statement has been prepared under the indirect method set out in the Accounting Standard (AS – 3) “Cash Flow Statements” issued by the Institute of Chartered Accountants of India.		

Cash and Cash Equivalents include Fixed Deposits of Rs. 32.42 Lacs (Previous Year Rs. 24.60 Lacs), given as Margin against Bank Guarantees and Letter of Credit and are not available for use by the Company.

11. As per practice consistently followed the payment of bonus is being charged to revenue on cash basis.
12. The Company has classified the various benefits provided to the employees as under :

I. Defined Contribution Plan – Provident Fund:

During the year, the Company has recognized the Employer’s Contribution to Employees Provident Fund Organization amounting to Rs. 1.03 Lacs (Previous Year Rs. 1.12 Lacs) as part of the Schedule –J (Payments to Employees) of the Financial Statement.

II. State Plans – Employer’s Contribution to Employees’ Pension Scheme 1995:

During the year, the Company has recognized the Employer’s Contribution to Employees Pension Fund amounting to Rs. 0.39 Lacs (Previous Year Rs. 0.71 Lacs) as part of the Schedule –J (Payments to Employees) of the Financial Statement.

III. Defined Benefit Plans – Gratuity:

In accordance with the revised Accounting Standard 15, actuarial valuation was done in respect of the aforesaid defined benefits using the following assumptions:

Particulars	Gratuity 2009-10	Gratuity 2008-09
Discount Rate (Per Annum)	8 %	8 %
Rate of Increase in Compensation Levels	6 %	6 %
Rate of Return on Plan Assets	8 %	8 %
Expected Average Remaining Working Lives of Employees	18.20 years	18.42 years

The estimate of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



The other disclosures required under Revised Accounting Standard (AS-15) "Employee Benefits" are as follows:

Particulars		Gratuity 2009-10 (In Rs.)	Gratuity 2008-09 (In Rs.)
(A)	Change in Present Value of Obligation:		
	Present Value of Obligation as at the beginning of the year	414,020	347,397
	Current Service Cost	55,543	43,866
	Interest Cost	33,122	27,792
	Actuarial (Gain) / Loss on Obligation	(38,993)	96,070
	Benefits Paid	(208,146)	(101,105)
	Present Value of Obligation as at the end of the year	255,546	414,020
(B)	Change in the Fair Value of Plan Asset:		
	Fair Value of Plan Asset as at the beginning of the year	1,557,105	1,520,908
	Expected Return on Plan Asset	134,730	124,302
	Actuarial Gain / (Loss)	-	-
	Contribution by the Employer	10,412	13,000
	Benefits Paid	(208,146)	(101,105)
	Fair Value of Plan Asset as at the end of the year	1,494,101	1,557,105
(C)	Amounts Recognized in Balance Sheet		
	Present Value of Obligation as at the end of the year	255,546	414,020
	Fair Value of Plan Asset as at the end of the year	(1,494,101)	(1,557,105)
	Amount Recognized as Surplus on Gratuity Provision under Loans and Advances in Schedule-E	(1,238,555)	(1,113,085)
(D)	Amounts Recognized in Profit and Loss Account		
	Current Service Cost	55,543	43,866
	Interest Cost	33,122	27,792
	Expected Return on Plan Asset	(134,730)	(124,302)
	Actuarial (Gain) / Loss	(38,993)	96,070
	Amount Recognized in Profit and Loss Account under Payments to Employees in Schedule-J	(85,058)	43,426
(E)	Reconciliation of Present Value of Obligation and Fair Value of Asset		
	Opening Net Liability	(1,143,085)	(1,173,511)
	Expenses Recognized in Profit and Loss Account	(85,058)	43,426
	Contribution by the Employer	(10,412)	(13,000)
	Closing Net Liability	(1,238,555)	(1,143,085)

The above scheme is invested in a Employees Group Gratuity Scheme Offered by Life Insurance Corporation of India

(F)	Investment Pattern:		
	Insurer Managed Fund	1,494,101	1,557,105

13. As per practice consistently followed Leave Encashment has been accounted for on the basis of the amount due to the employees in respect of the earned leaves standing to their credit at the year end.



14. As per the compliance of the Accounting Standard (AS – 22) "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has charged the net deferred tax liability as at 31st March 2010 of Rs. 12.00 Lacs to the Profit and Loss Account.

Deferred Tax Asset / (Liability) Attributable To

Sl. No.	Particulars	As at 31.3.2009 (In Rs.)	For the Year (In Rs.)	As At 31.3.2010 (In Rs.)
1)	Depreciation	(53,85,812)	43,14,783	(10,71,029)
2)	Disallowance under Income Tax Act,1961	(2,72,551)	4,12,464	1,39,913
3)	Accumulated Loss and Unabsorbed Depreciation	59,26,898	(59,26,898)	0
	TOTAL	<u>2,68,535</u>	<u>11,99,651</u>	<u>(9,31,116)</u>

15. Segment information for the period ended 31st March, 2010.

a. The Company is organized into two main business segments, namely:

1. Diagnostic Services - includes Scanning, Ultrasound, X-ray and ECG
2. Trading and Other Activities- includes Sale of Trading Goods, Servicing and Installation of Medical Equipments.

The segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure and internal financial reporting systems.

b. Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and are determined as part of the process of preparation of the financial statements.

Segment Revenue and Results does not include Interest Income, Interest Expenses and Provision for Income Tax, Fringe Benefit Tax and Deferred Tax, these have been grouped under the head Unallocable.

c. Segment Assets include all operating assets used by a segment and consist principally of Debtors, Inventories, Advances and Fixed Assets. Assets which are not allocable on a reasonable basis have been classified under the head Unallocable.

Segment Liabilities include all Operating Liabilities and consist principally of Creditors and Accrued Liabilities. Liabilities which are not allocable on a reasonable basis have been classified under the head Unallocable.



Particulars	Diagnostic	Trading and Other Activities	Unallocable	Total
Revenue External	44,65,552 92,13,599	2,92,99,694 3,86,55,944	76,000 70,828	3,38,41,246 4,79,40,371
Results	(34,19,602) (51,73,676)	68,24,153 84,28,914	76,000 70,828	34,80,551 33,26,066
Segment Results				
Other Unallocated Expenditure (Net of Unallocable Income)			11,95,025 9,81,882	11,95,025 9,81,882
Interest Expenses			15,08,688 16,91,254	15,08,688 16,91,254
Interest Income			2,51,648 85,204	2,51,648 85,204
Profit / (Loss) before Taxation			10,28,486 7,38,134	10,28,486 7,38,134
Provision for Taxation				
- Current			1,75,000 80,000	1,75,000 80,000
- Fringe Benefit			0 2,00,000	0 2,00,000
- Deferred			11,99,651 23,911	11,99,651 23,911
Profit / (Loss) after Taxation			3,46,165 4,34,223	3,46,165 4,34,223
Other Information				
Segmental Assets	1,67,88,323 2,33,75,963	2,72,26,226 3,18,64,616	43,32,659 27,10,543	4,83,47,208 5,79,51,122
Segmental Liabilities	97,60,660 73,56,571	1,54,48,027 2,82,46,426	8,31,336 8,83,673	2,60,40,023 3,64,86,670
Addition to Fixed Assets	0 48,899	1,21,536 10,850	0 0	1,21,536 59,749
Depreciation	34,57,503 36,21,555	1,28,638 1,40,013	0 0	35,86,141 37,61,568

Note: During the year 2004-05, the Company retired an old Magnetic Resonance Imaging Scanner, this as per management estimates had no realisable value as on 31st March 2010, this was declared under Other Current Assets (Schedule-E) and based on current management estimate an impairment loss of Rs. 2.50 lacs was recognised to the Profit & Loss Account during the year. This impaired asset belonged to the Diagnostic Services Segment, as identified above.

16. Related Party Disclosures under Accounting Standard - 18 (as identified and certified by the Management.)

i. Key Management Personnel :

- Dr. Gautam Sehgal, Managing Director
- Dr. (Mrs.) Versha Sehgal, Director
- Dr. Vivek Sehgal, Director
- Mrs. Radhika Sehgal, Director



ii. Others:

- i. Ved Med Software & Trading Private Limited
- ii. Cardiovas Medical Private Limited
- iii. Dr. A. D. Sehgal & Sons – HUF
- iv. ADS Hospital Charitable Trust

Transactions with Related Parties:

Particulars	<u>Key</u>		<u>Total</u>
	<u>Management</u> <u>Personnel</u>	<u>Others</u>	
1) Purchase of Goods/ Services	0 (0)	0 (94,062)	0 (94,062)
2) Rent / Lease Rent Paid	0 (0)	0 (0)	0 (0)
3) Sale/Goods/Services	0 (0)	0 (0)	0 (0)
4) Management Remuneration paid	11,00,002 (24)	0 (0)	11,00,002 (24)
5) Loans Taken	87,30,000 (24,90,000)	0 (0)	87,30,000 (24,90,000)
6) Loan Repaid	59,65,000 (31,61,000)	0 (0)	59,65,000 (31,61,000)
7) Directors Sitting Fee	3,000 (4,000)	0 (0)	3,000 (4,000)
8) Sharing of Common Expenses	0 (0)	18,76,667 (22,37,540)	18,76,667 (22,37,540)

Note: Figures in brackets pertain to the previous year.

17. During the year 2004-2005 the Company retired from active use its old Magnetic Resonance Imaging Scanner on account of technical obsolescence and is holding the same for disposal subject to approval from appropriate authorities. In line with the Accounting Standard (AS-10) "Accounting for Fixed Assets" issued by the Institute of Chartered Accountants of India, the asset was written down to Rs. 2.50 lacs, as on 31st March 2009 based on management estimates and was declared under "Other Current Assets" (Schedule - E). During the year as per the compliance of Accounting Standard (AS-28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the Company at the beginning as well as at the end of the year, reviewed the future earnings of all its cash generating units, as the carrying amount of the machine which was retired on 1st April, 2004 from active use has been determined as nil as on 31st March, 2010 on the basis of the future recoverable amount which was reviewed as on 31st March, 2010 and a further impairment loss of Rs. 2.50 Lacs was recognised to the Profit and Loss Account during the year. This Impaired Asset is the old Magnetic Resonance Imaging Scanner belonging to the Diagnostic Services Segment, as identified in line with the Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India.
18. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year end together with interest paid / payable under this Act have not been given.
19. The requirements of Accounting Standard (AS – 21) "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India are not applicable to the Company.



20. The Operating Leases relate to various rented premises and such leases extend for a maximum period of four years from their Lease Agreement dates. The Lease Rental paid during the year and maximum obligations payable as per the Rentals stated in the respective agreements are as follows:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Lease Rental paid during the Year	0.48	8.03
Lease Obligations: Within one year of the Balance Sheet date	0.00	0.66

21. Additional Information Pursuant to the Provisions of Part II of Schedule VI to the Companies Act, 1956 to the extent applicable.

- a) The requirement regarding licensed, installed capacity and production is not applicable to the Company.
b) Details of Material Consumed

(i) Diagnostic Services

S. No.	Particulars	Unit	Opening Balance		Purchases		Consumption		Closing Balance	
			Qty.	Value in Rs.	Qty.	Value in Rs.	Qty.	Value in Rs.	Qty.	Value in Rs.
1	Film	Nos.	313	59646.00	12400	306860.00	12602	335557.00	111	30949.00
			(1224)	(497409.00)	(13550)	(772805.00)	(14461)	(1210568.00)	(313)	(59646.00)
2	Medicines	Nos.	89	91015.00	705	281986.00	785	363798.00	9	9203.00
			(201)	(325173.00)	(1615)	(727429.00)	(1727)	(961587.00)	(89)	(91015.00)
3	Chemicals	Ltrs.	6	4118.00	91	94791.00	93	96283.00	4	2626.00
			(10)	(6864.00)	(111)	(72746.00)	(115)	(75492.00)	(6)	(4118.00)
4	Slices of X-ray Tube	Nos.	0	0.00	0	0.00	0	0.00	0	0.00
			(104274)	(675599.00)	(0)	(0.00)	(104274)	(675599.00)	(0)	(0.00)
5	Syringes	Nos.	246	4105.00	1200	10800.00	1421	14680.00	25	225.00
			(658)	(12247.00)	(2000)	(17750.00)	(2412)	(25892.00)	(246)	(4105.00)
6	Liquid Helium	Ltrs.	0	0.00	250	107500.00	200	86000.00	50	21500.00
			(250)	(107694.00)	(0)	(0.00)	(250)	(107694.00)	(0)	(0.00)
7	Stores and Spares		1	503538.00	0	0.00	0	213402.00	1	290136.00
			(1)	(1165344.00)	(0)	(0.00)	(0)	(661806.00)	(1)	(503538.00)
8	Others			0.00		9797.00		9797.00		0.00
				(0.00)		(17354.00)		(17354.00)		(0.00)
	Total		655	662422.00	14646	811734.00	15101	1119517.00	200	354639.00
			(106618)	(2790330.00)	(17276)	(1608084.00)	(123239)	(3735992.00)	(655)	(662422.00)

te : Figures in brackets pertain to the previous year.



(ii) Trading Activities:

S. No.	Particulars	Unit	Opening Balance		Purchases		Closing Balance		Sale Value	
			Qty.	Value in Rs.	Qty.	Value in Rs.	Qty.	Value in Rs.	Qty.	Value in Rs.
1	Camera	Nos.	10	1088343.92	0	0.00	10	1088343.92	0	0.00
			(13)	(1572052.33)	(0)	(0.00)	(10)	(1088343.92)	(3)	(0.00)
2	Film	Nos.	2926	266273.00	29400	1104378	0	0.00	32326	0.00
			(15497)	(1053326.00)	(0)	(0.00)	(2926)	(266273.00)	(12571)	(0.00)
3	Medical Consumable	Nos.	58	3519622.44	316	5490623.42	125	6399903.08	249	2653000.00
			(75)	(2697816.81)	(37)	(2847344.09)	(58)	(3519622.44)	(54)	(1434383.00)
4	Bone Densitometer	Nos.	1	1031345.00	6	8079169.00	1	1031345.00	6	12520812.00
			(2)	(2062690.00)	(5)	(14893152.00)	(1)	(1031345.00)	(6)	(21943118.00)
5	Digitiser	Nos.	1	225780.00	0	0.00	1	225780.00	0	0.00
			(1)	(175467.00)	(1)	(225780.00)	(1)	(225780.00)	(1)	(550000.00)
6	Mammography	Nos.	1	2298510.00	2	1561752.00	2	3059365.00	1	1346154.00
			(1)	(404530.00)	(2)	(6561365.00)	(1)	(2298510.00)	(2)	(7366765.00)
Total			2997	8429874.36	29724	16235922.42	139	11804737.00	32582	16519966.00
			(15589)	(7965882.14)	(45)	(24527641.09)	(2997)	(8429874.36)	(12637)	(31294266.00)

Note : Figures in brackets pertain to the previous year.

c) Value of Imports Calculated on CIF Basis:

Particulars	Current Year (In Rs.)	Previous Year (In Rs.)
a. Trading Goods	1,10,69,308.00	2,21,13,608.00
b. Capital Goods	0.00	0.00
	1,10,69,308.00	2,21,13,608.00

d) Consumption of Films, Consumable and Trading of Cameras & Digitisers:

Particulars	Current Year		Previous Year	
	(In %)	(In Rs.)	(In %)	(In Rs.)
i. Consumption of Films and Consumables				
a. Imported	0.00	0.00	0.00	0.00
b. Indigenous	100.00	11,19,517.00	100.00	37,35,992.00
			100.00	37,35,992.00
ii. Trading of Cameras, Digitisers, Films and Medical Consumables				
a. Imported	72.69	93,48,787.00	98.43	2,36,85,550.87
b. Indigenous	27.31	35,12,272.78	1.57	3,78,098.00
	100.00	1,28,61,059.78	100.00	2,49,63,648.87

e) Earning in Foreign Currency:

Particulars	Current Year (In Rs.)	Previous Year (In Rs.)
i) Commission Income	98,98,404.00	23,20,579.00
ii) Installation and Commissioning	10,35,997.00	29,40,120.00
	1,09,34,401.00	52,60,699.00

f) Expenditure in Foreign Currency (On Actual Payment Basis):

Particulars	Current Year (In Rs.)	Previous Year (In Rs.)
i) Travelling Expenses	10,37,835.00	3,44,451.00
ii) Import of Trading Goods	1,62,53,501.00	1,06,32,247.00
	1,72,91,336.00	1,09,76,698.00



22. Foreign Exchange Variation:

Particulars	Current Year (In Rs.)	Previous Year (In Rs.)
Net Foreign Exchange Fluctuation Expense	0.00	8,04,593.97
Net Foreign Exchange Fluctuation Income	267530.00	0.00

23. Auditors Remuneration:

Particulars	Current Year (In Rs.)	Previous Year (In Rs.)
1) Statutory Audit Fee	82,500.00	75,000.00
2) Tax Audit Fee	35,000.00	31,000.00
3) Other Services	42,000.00	37,500.00
4) Service Tax	17,809.00	19,430.00
5) Out of Pocket Expenses	13400.00	26,200.00
Total	1,90,709.00	1,89,130.00

24. The previous year figures have been regrouped, rearranged and reclassified wherever necessary to make them comparable with the current year figures.

25. Schedules 'A' to 'N' form an integral part of the Accounts and have been duly authenticated.

26. Dr. Gautam Sehgal, Managing Director, is related to Dr. Vivek Sehgal, Dr. (Mrs.) Versha Sehgal and Mrs. Radhika Sehgal, Director.

27. Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile.

1. Registration Details :

Registration No. : 18486
 State Code : 56
 Balance Sheet Date : 31st March, 2010

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

Public Issue : -
 Right Issue : -
 Bonus Issue : -
 Private Placement : -



3. Position of Mobilization and Deployment of Funds:

Particulars	Current Year (Rs. In Thousands)	Previous Year (Rs. in Thousands)
Total Liabilities	40,543.23	38244.15
Total Assets	40,543.23	38244.15
Sources of Funds:		
Paid up Capital	22450.50	22450.50
Reserves & Surplus	0.00	0.00
Secured Loans	687.99	1616.40
Unsecured Loans	16473.62	14445.79
Deferred Tax Liabilities	931.12	(268.54)
Application of Funds:		
Net Fixed Assets	16165.44	20912.03
Net Current Assets	23303.36	16614.61
Profit & Loss Account	1074.43	717.51
Deferred Tax Asset		268.54

4. Performance of Company

Turnover / Income	34092.89	48025.57
Total Expenditure	33064.40	47287.44
Profit / (Loss) before Tax	1028.49	738.13
Profit / (Loss) after Tax	(346.17)	434.22
Earnings per Share (Rs.)	(0.16)	0.20
Dividend Rate	0.00	0.00

5. Generic Names of Principal Products, Services of the Company

Item Code No.	Not Applicable
Service Description	Scanning, Medication, Ultrasound, ECG, X-Ray, Trading of Cameras, Medical Consumable and Servicing of Medical Equipment.

For **KHATTAR KHANNA & ASSOCIATES**
Chartered Accountants



RAJIV KHANNA
PARTNER

For and on behalf of the
BOARD OF DIRECTORS



DR. GAUTAM SEHGAL
MANAGING DIRECTOR



DR. (MRS.) VERSHA SEHGAL
DIRECTOR

Membership No: 091611

Firm Registration No.: 014731N



Place: New Delhi
Date : 26th May, 2010



N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY

SCHEDULE - N

Accounting Policies :

1. **Accounting Conventions:**
The financial statements have been prepared under the historical cost convention on accrual basis, except where specifically stated otherwise. These have been prepared in accordance with applicable Accounting Standards and relevant provisions of the Companies Act, 1956.
2. **Fixed Assets:**
Fixed Assets are stated at cost less accumulated depreciation. Cost comprises of cost of acquisition and any attributable expenses incurred for the purpose of bringing the assets to its present condition for its intended use.
3. **Depreciation on Fixed Assets:**
 - a. Depreciation on Fixed Assets acquired upto 31st March, 1987 are being provided on straight line method at the rate prevalent at the time of acquisition of such assets in accordance with Circular No.1 of 1986 (1-86-CL-V) dated 21st May, 1986 of the Company Law Board.
 - b. On assets acquired on or after 1st April, 1987, the depreciation has been provided on straight line method at the rates prescribed in Schedule XIV of the Companies (Amendment) Act, 1988, except that on Assets acquired on or after 16th December, 1993, the rates as amended by Ministry of Law, Justice and Company Affairs notification dated 10.12.1993 have been provided.
 - c. On assets acquired / sold during the year, the depreciation is being provided on prorata basis.
4. **Inventories:**
The Inventories of medicines, films, consumable, spares and trading goods are stated at cost or net realisable value, whichever is lower. The method used in determining the cost of inventories is First In First Out.
5. **Foreign Currency Transactions:**
All foreign currency transactions are accounted for at the rates prevailing on the date of such transactions. Exchange fluctuation in foreign currency transactions other than those relating to Fixed Assets are recognized to the Profit & Loss Account. Exchange fluctuation in relation to Fixed Assets are apportioned to the original cost of such assets acquired. Other assets and liabilities are restated at the rate prevailing at the year end and the profit / loss is credited / charged to the Profit & Loss Account.
6. **Use of Estimates:**
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.



7. **Bonus:**
Bonus paid to employees has been accounted for on cash basis.
8. **Employee Benefits:**
- A. Short Term Employee Benefits:**
- i) The undiscounted amount of short term employee benefits, such as medical benefits, casual leave etc. which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.
- B. Long Term Employee Benefits:**
- i. Leave Encashment :
Provision for Leave Encashment, which can be accumulated over the tenure the employment or can be claimed as encashment during the period of employment, at the discretion of the employee, is made / accounted for on the basis of the amount due to the employees in respect of the earned leaves standing to their credit at the year end.
- C. Post Employment Benefits:**
- a. Provident Fund
The Company provides Provident Fund as post employment benefit to all its employees which is a defined contribution plan. The annual contribution to Employee Provident Fund Organization is charged to Profit and Loss Account of the year to which the contribution relates.
- b. Family Pension :
The Company's annual contribution to State Plan viz. Employees' Pension Scheme, 1995 are also charged to Profit and Loss Account of the year to which the contribution relates.
- c. Gratuity :
The Company provides for Gratuity which is a defined benefit plan. The liability is determined on the basis of actuarial valuation under the projected unit credit method at the balance sheet date. The Gratuity is funded under the Group Gratuity Scheme with the Life Insurance Corporation of India under an irrevocable trust for making provision of gratuity payable on resignation / retirement / death of the employees, under the provisions of the Payment of the Gratuity Act, 1972. Actuarial gains and losses comprise of experience adjustments and the effects of changes in actuarial assumptions, and are recognized immediately in the Profit and Loss Account as income or expense.
9. **Revenue Recognition:**
- i. Revenue from patients is recognised on completion of the Diagnostic Procedure.
- ii. Revenue from Sale of Trading Goods is on transfer of title in the goods to the buyers.
- iii. Revenue from Service Contracts are recognised pro-rata over the period of the Contract.
- iv. Revenue from Installation and Commissioning Contracts are recognised on completion of Service and Installation of the Product.
- v. Commission Income is recognised as per Contract or Receipt of Credit Note.
- vi. Interest Income is recognised on Time Proportion Basis.



10. Impairment:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement for the items of fixed assets carried at cost. The recoverable amount is the higher of an asset's net selling price and value in use. The selling price is the amount obtained from the sale of an asset in an arms length transaction while value in use is the present value of estimated future value cash flows expected to arise from the continuing use of an asset, from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if not possible, for the cash generating unit.

Impairment loss recognised for an asset in earlier accounting periods is reversed, to the extent of its recoverable amount, if there has been a change in the estimates of used to determine the asset's recoverable amount since the last impairment loss was recognised.

11. Taxation:

- a. The provision for the taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.
- b. Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

12. Contingent Liabilities and Assets:

The Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to be settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

No Provision is recognized for :

- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- ii. any present obligation that arises from past events but is not recognized because
 - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b. a reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent Assets are not recognized in the financial statements as this may result in the recognition of income that may never be realized.

13. Borrowing Cost:

Borrowing Costs that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets upto the date the assets are ready for their intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.



14. Earning Per Share:

Basic and Diluted Earnings per Share is computed in accordance with Accounting Standard (AS-20) – “Earning Per Share” issued by the Institute of Chartered Accountants of India. Basic Earning per Share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted Earning per Share reflect the potential dilution that could occur if securities or contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share is computed using the weighted average number of equity shares outstanding during the year and dilutive potential equity shares outstanding at the year end.

For **KHATTAR KHANNA & ASSOCIATES**
Chartered Accountants



RAJIV KHANNA
PARTNER

Membership No: 091611

Firm Registration No.: 014731N

For and on behalf of the
BOARD OF DIRECTORS



DR. GAUTAM SEHGAL
MANAGING DIRECTOR



DR. (MRS.) VERSHA SEHGAL
DIRECTOR

Place: New Delhi

Date : 26th May, 2010



N. L. GAYARI
VICE PRESIDENT (FINANCE) &
COMPANY SECRETARY

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AS PER THE DETAILS AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the 25th ANNUAL GENERAL MEETING held on Friday, the 16th July, 2010 at 11.30 A.M. at Sikand Hall, Delhi Tuberculosis Association, 9, Institutional Area, Lodhi Road, New Delhi – 110003.

(PLEASE FILL IN BLOCK LETTERS)

NAME OF THE SHAREHOLDER/PROXY

SIGNATURE OF THE SHAREHOLDER/PROXY

Ledger Folio No. No. of Shares held

ADS DIAGNOSTIC LTD.
Registered Office:
B-22, Kailash Colony
New Delhi – 110048

PROXY FORM

Ledger Folio No.....

I/We.....
ofin the district of being
a Member / Members of ADS Diagnostic Limited hereby appoint
ofin the district of
or failing him
ofin the district of as my /our
Proxy to attend and vote for me / us on my / our behalf at the 25th Annual General Meeting of the
Company to be held on Friday the 16th July, 2010 at 11.30 A.M. and at any adjournment thereof.

AS WITNESS my / our hand / hands this day of 2010

Signed by the said

Affix a
Revenue
Stamp

Note: The Proxy must be deposited at the Registered Office of the Company at B-22, Kailash Colony, New Delhi – 110048 not less than 48 hours before the time for holding the Meeting.