

ADS DIAGNOSTIC LTD.

ANNUAL REPORT

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
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