



Annual Report 2010

Siemens Healthcare Diagnostics Ltd.

SIEMENS

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Financial Highlights

	2010	2009	2008	2007@	2006
Sales & Others	1,832.3	1,699.7	1,034.7	560.1	769.1
Profit / (Loss) Before Tax	153.2	89.5	(31.4)*	56.0	351.1**
Profit / (Loss) After Tax	96.8	53.1	(22.06)*	37.8	262.7*
Dividend (%)	175	100	10	60	1050#
Reserves & Surplus	537.5	472.6	437.9	462.3	435.5
Net Block	633.4	656.4	518.8	159.9	124.5
Earning / (Loss) Per Share (Rs.)	61.76	33.86	(14.4)	24.14	53.80+
Book Value Per Share (Rs.)	352.90	311.55	289.4	304.95	287.84
Debt Equity Ratio	0.72:1	0.82:1	0	0.06:1	0.06:1
Number of Shareholders	4,397	5,239	5,277	4,450	4,983
Number of Employees	204	215	321	200	191

* Includes exceptional item - ex-gratia payment & severance cost.

@ 2007 figures are for the 9-month period ended on September 30, 2007.

** Includes Profit of Rs. 250.2 Mio from Sale of Diabetes Care business in the year 2006.

Includes Interim Dividend of 970% in the year 2006 declared out of Profit on Sale of Diabetes Care business.

+ Excluding Exceptional Item-Profit on Sale of Diabetes Care business in the year 2006.

Rs. In millions

Board of Directors

Mr. Narendra J. Jhaveri
Mr. Etienne Szivo
Mr. Pradip V. Nayak
Mr. D. Ragavan
CA. Anil Shankar

Chairman

Whole-time Director & CFO

Company Secretary

Mr. Harsh Khilnani

Auditors

M/s. S.R. Batliboi & Co.,
Chartered Accountants

Registered Office & Plant

589 Sayajipura, Ajiwa Road,
Vadodara - 390 019, Gujarat.
Phone : 91 265 256 2720
Fax: 91 265 2565103

Bankers

Citibank N.A.
Deutsche Bank

Registrars and Share Transfer Agents

Link Intime India Pvt. Ltd.
1st Floor, Jaldhara Complex,
Opp. Manisha Society,
Off Old Padra Road, Vasna Road,
Vadodara - 390 015
Phone : +91 265 2250 241, 2249857
Fax: +91 265 2250 246
E-mail: vadodara@linkintime.co.in

Letter to the Shareholder



Dear Shareholders,

Your Company concluded fiscal 2010 successfully in a challenging global environment. Our greater Customer focus and a flexible operational and financial model enabled us to maintain our growth and overcome the challenges.

We concluded fiscal 2010 with a turnover of Rs.17,644 lakh and net profit after tax of Rs.968 lakh, a year-on-year growth of 82%. The basis of these increased profits was our sustainability-focused strategy, coupled with the outstanding achievements of our employees and management. During the year, Company successfully tapped the booming Healthcare business. Driven by impressive growth of the Indian economy, despite global recession, favourable demo-graphics and liberalized foreign direct investment (FDI) policy, the Healthcare sector has witnessed far reaching changes in market scenario. India promises to remain one of the fastest growing economies in the world.

During the first half of fiscal 2010, we are still very cautious when speaking about the prospects for a global economic recovery. Your Company is entering a higher orbit of performance and growth with many opportunities and challenges. Your Company continues to develop further. Your Company, being in the Diagnostics business continued to focus on Immunodiagnosics & Clinical Chemistry

business and maintained its leadership in Urinalysis business. Your Company has also significant presence in critical care, Hematology, Microbiology & Plasma protein business. In the Immunodiagnosics business, new instrument and Assays were launched to expand the menu offered by the Company.

Your Company is also in the process of getting amalgamated with Siemens Ltd. (SL), Mumbai. The approval for the amalgamation of the Company with SL is at different stages of the regulatory process. This amalgamation would be of immense benefit to all the stakeholders of the Company.

Considering the performance of the Company, positive business outlook and with a view to sharing improvement in profitability, we are happy to announce a dividend of Rs.17.5/- per equity share (175%), a 75 percent increase compared to fiscal 2009.

Going forward, the management visualizes a huge potential for growth in the booming Indian economy, especially in areas of Healthcare. According to market analysis, Healthcare in India is a US\$ 35 billion industry that is expected to reach over US\$ 75 billion by 2012. A growing elderly population and rise in income levels are also pushing for better facilities in India. Both politically and economically, businesses are navigating through turbulent times. It is imperative therefore to remain close to the ground realities while pursuing ambitious growth targets. The change would not have been possible without commitment of employees at all the levels. Vesting reaffirmed faith in the resilience of all the people associated with business and the business model, the Board of Directors looks forward to overcoming any challenges that may lie ahead of the company. We thank our investors, employees and all our stakeholders as we enter a new phase of our journey with determination and optimism.

New Delhi
November 29, 2010

Narendra J. Jhaveri
Chairman

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NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting (AGM) of the Members of Siemens Healthcare Diagnostics Limited will be held on Thursday, January 27, 2011 at 11.30 a.m. at Chandrarva Hall, WelcomHotel Vadodara, R. C. Dutt Road, Vadodara 390001, Gujarat to transact the following business:

Ordinary Business

- i) To receive, consider and adopt the Balance Sheet as at September 30, 2010 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
- ii) To declare dividend for the financial year ended September 30, 2010.
- iii) To appoint a Director in place of Mr. Pradip V. Nayak, who retires by rotation and, being eligible, seeks reappointment.
- iv) To appoint a Director in place of CA. Anil Shankar, who retires by rotation and, being eligible, seeks reappointment.
- v) To consider and, if thought fit, to pass with or without modifications, as an **ORDINARY RESOLUTION**, the following:

“RESOLVED THAT M/s. S. R. Balthoi & Co., Chartered Accountants, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting, on such remuneration as may be fixed by the Board of Directors of the Company.”

Registered Office: By Order of the Board of Directors
580 Sayajipura, For Siemens Healthcare Diagnostics Ltd.
Alpa Road,
Vadodara 390 019

New Delhi
November 29, 2010

Hareesh Kulkarni
Company Secretary

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
4. The Share Transfer Books and the Register of Members of the Company will remain closed from January 21, 2011 to January 27, 2011 (both days inclusive).
5. Subject to the provisions of Section 206A of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after January 27, 2011 to those members whose names appear on the Register of Members as on January 21, 2011.
6. As members are aware, equity shares of the Company are traded in electronic form for all shareholders. Members who hold equity shares in physical form may dematerialise the same. ISIN allotted to the Company for this purpose is **INE195D01014**.
7. The members having shares in physical form are requested to furnish the details of their bank account, as dividend is now required to be distributed through the Electronic Clearing Service (ECS). The details of bank accounts should be furnished to the Company's Registrar & Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., 308, 1st Floor, Jaldhara Complex, O.P.P. Manisha Society, Off Old Padra Road, Vasana Road, Baroda 390 015 on or before January 18, 2011.
8. Beneficial owners holding shares in electronic form are requested to notify any change in address, bank particulars, ECS particulars etc. to their respective depository participants and make sure that such changes are recorded by them correctly on or before January 18, 2011. The particulars recorded with the depository participants will be considered for making the payment of dividend either by issuing physi-

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Notice (Contd.)

cal instruments or by ECS as intimated by the Company. Shareholders are requested to take appropriate action in the matter, in their own interest, to avoid delay in receiving the payment of dividend.

Where dividend payments are made through ECS, intimations regarding such remittances would be sent separately to the shareholders.

9. Register of Contracts, Companies and Firms in which directors are interested is open for inspection at the registered office of the company between 10.00 a.m. to 12.30 p.m. from Monday to Friday except declared holidays.

10. The equity shares of the Company are listed with Bombay Stock Exchange Limited. The Company has paid the Listing fees for the year 2010-11.

11. Members desirous of getting any information in respect of Accounts are requested to send their queries in writing to the Company at the Registered Office so as to reach the Company seven days before the meeting.

12. The members are requested to encash the Dividend Warrants immediately on receipt, as dividends remain unclaimed for seven years are now required to be transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act,

1956. Members shall not be able to claim any unclaimed dividend from the said fund or the Company thereafter.

Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

Dividend for the year	Date of declaration of Dividend	Cut off date for transfer to IEPF
December 31, 2003	May 28, 2004	July 27, 2011
December 31, 2004	May 21, 2005	July 20, 2012
December 31, 2005	May 27, 2006	July 26, 2013
December 31, 2006*	December 06, 2006	February 02, 2014
September 30, 2007	June 23, 2007	August 22, 2014
September 30, 2008	March 24, 2008	May 23, 2015
September 30, 2009	February 27, 2009	April 28, 2016
September 30, 2009	January 28, 2010	March 27, 2017

* Interim Dividend

** Final Dividend

Members who have not so far encashed their dividend warrants may approach the Company's Registered Office at 589 Sayajipura, Awa Road, Baroda - 390 019.

By Order of the Board of Directors
589 Sayajipura, For Siemens Healthcare Diagnostics Ltd.
Awa Road,
Vadodra 390 019
New Delhi
November 29, 2010
Haresh Khilnani
Company Secretary

Additional Information on Directors recommended for appointment or seeking reappointment at the Annual General Meeting

Mr. Pradip V. Nayak
Mr. Pradip V. Nayak (65) graduated with combined honours in Economics and Politics from the University of York, England. He then read law at Gray's Inn, London.

Mr. Nayak joined GlaxoSmithKline Pharmaceuticals Ltd., in 1989 and was elevated to the Board of Directors in 1992. He retired as Senior Executive Director in 2003. During this period in the company, besides being responsible for Human Resources, Corporate Legal, Corporate Communications, General Administration, etc., he was also in charge of the veterinary business and the fine chemicals and laboratory supplies business.

From 1970 to 1989, he had held several senior level positions in Anil Starch Products, Borosil Glass Works (a Corning subsidiary at that time) and Union Carbide. He also practiced management consultancy with A.F. Ferguson & Co.

He has earlier been Director of Glaxo India Limited, Burroughs Wellcome India Ltd., SmithKline Beecham Pharmaceuticals Ltd., Biddle Sawyer Ltd., Croydon Chemicals Ltd. and Megnador Chemicals Ltd.

Mr. Nayak is an independent director and does not hold any shares or beneficial interest in any shares of your Company. Apart from Siemens Healthcare Diagnostics Ltd., Mr. Nayak holds directorship and membership of the following companies/committees:

Sr. No.	Name of public limited companies in which Directorship is held	Position held	Committee Membership / Chairmanship in other public limited company
1	GlaxoSmithKline Pharmaceuticals Ltd.	Director	Member, AC & RC
2	Siemens Ltd.	Director	Member, SIGC & RC

CA. Anil Shankar
CA. Anil Shankar (56) is a Chartered Accountant and holds a Master of Business Administration degree with major in Finance and International Business from Bowling Green State University, Ohio, USA. He brings with him over 27 years of extensive experience with leading multinationals in the areas of Strategic Financial Management, Accounting, Planning and Budgeting, Taxation and Legal. CA. Anil Shankar has worked with Dade Behring since April 2006 as Finance Director for India and SAC (South Asian Countries). His immediate previous assignment was with Boston Scientific (a USA based medical devices company) for 6 years as Finance Director for its India and South Asia operations. He has earlier worked in different capacities as Country Controller for Motorola, Treasurer for Goodyear and as Finance and Administration Director for Polaroid.

CA. Anil Shankar is an Executive Director and does not hold any shares or beneficial interest in any shares of your Company. Apart from Siemens Healthcare Diagnostics Ltd., CA. Anil Shankar does not hold any directorship and membership in committee in any other public listed Company.

By Order of the Board of Directors
589 Sayajipura, For Siemens Healthcare Diagnostics Ltd.
Awa Road,
Vadodra 390 019
New Delhi
November 29, 2010
Haresh Khilnani
Company Secretary

Directors' Report

The Directors have pleasure in presenting the thirty sixth Annual Report of the Company together with the Audited Accounts for the year ended September 30, 2010.

1. Financial Results

A summarised statement of the financial results of the current year and that of the previous year is given below (Rs. 000)

Net Sales (excluding excise duty), Operating & Other Income	2009-10	2008-09
Profit before Depreciation / Amortisation and tax	1,832,285	1,699,742
Less : Depreciation / Amortisation	391,655	287,797
Profit Before Tax	238,494	198,254
Less : Provision for Taxation on current income	153,161	89,543
: Fringe Benefit Tax	87,500	87,000
: Deferred Tax	-	1,760
Profit After Tax	(31,141)	(52,293)
Balance brought forward	56,359	53,076
Available for Appropriation	64,291	34,861
Proposed Dividend	161,093	87,937
Tax on Proposed Dividend	27,429	15,674
Transfer to General Reserves	4,556	2,664
Carried Forward	9,680	5,308
	119,428	64,291

2. **Operations**
The In Vitro Diagnostics (IVD) market in India kept the momentum of Growth and grew on an average of 15 % CAGR. The Key Drivers are rising income and awareness, access to Healthcare Services and Healthcare Insurance, Medical Tourism and Increase in aging population. Competitive landscape remained with aggressive presence of International as well as Local players. Competition from Low cost and generic products continued it's effect of price pressures on the more established players. However, market perceives the quality of such competition as "poor".

3. **Dividend**
Sales, Operating and Other Income were Rs. 18,322 lakh compared to Rs.16,997 lakh in the previous year registering a growth of 7%. Profit before tax was Rs. 1,532 lakh compared to the profit of Rs.895 lakh in the previous year. Similarly Profit after tax was Rs. 968 lakh compared to profit of Rs.531 Lacs in the previous year.

4. **Unclaimed Dividend**
Unclaimed Dividend for the year ended December 31, 2002 declared on May 26, 2003 was due for transfer to Investor Education and Protection Fund on July 29, 2010. Company had sent reminders to the shareholders whose dividend was unclaimed and the same was paid to the shareholders who claimed it. The residual amount of Rs. 77,565/- was deposited to the Investor Education and Protection Fund against unclaimed & unpaid dividend for the year ended December 31, 2002.

5. Directors' Responsibility Statement

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on September 30, 2010 and of the profit of the Company for that period;

(iii) proper and sufficient care has been taken 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) the annual accounts are prepared on a going concern basis.

6. Directors

At the ensuing 36th Annual General Meeting Mr. Pradip V. Nayak & CA, Anil Shankar, retire by rotation at the ensuing Annual General Meeting. Both of them, being eligible, offer themselves for reappointment.

The above appointments and reappointments form part of the Notice of the 36th Annual General Meeting and the relevant Resolutions are recommended for your approval.

Profiles of these Directors, as required by the Clause 49 IV G of the Listing Agreements entered into with the Stock Exchanges, are given in the Notice of the 36th Annual General Meeting.

The Auditors have qualified the Company's financial statements for the year under review to the effect that the Company's application has been rejected by the Central Government for managerial remuneration paid to an Ex Managing Director in excess of the approval earlier accorded by the central government. Your Company has accordingly initiated necessary steps in this regard consistent with its obligations. Company has also applied with Central Government for reconsidering its application to which response is awaited.

7. Auditors

Mrs. S. R. Balthoi & Co., Chartered Accountants, retire as a the Statutory Auditors at the conclusion of the 36th Annual General Meeting to be held on January 27, 2011 and offer themselves for reappointment. A Certificate from them has been received to the effect that their reappointment as Statutory Auditors, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

8. **Information Pursuant to Section 217(1)(e)**
Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended September 30, 2010 is appended hereto as Annexure A.

9. **Amalgamation of Company with Siemens Ltd., Mumbai (SI)**

The Petition for the amalgamation of the Company with SI, has been admitted in the High Courts at Ahmedabad and Mumbai. Further, the approval for the amalgamation of the Company with SI is

at different stages of the Regulatory process. The Appointed Date fixed for the amalgamation is 1st October, 2009.

10. Employees

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of the Directors' Report for the year ended September 30, 2010 and is set out herein below :

11. Management Discussion and Analysis

A detailed review of operations, performance and future outlook of the Company is given separately under the head Management Discussion and Analysis appended hereto as Annexure B.

12. Corporate Governance

As required by Clause 49 of the Listing Agreement, a detailed note on Corporate Governance is given as Annexure C to this Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. A certificate of Statutory Auditors of the Company confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

13. Compliance Certificate

As required under the Companies (Compliance Certificate) Rules, 2001, a certificate from the practicing Company Secretary is appended hereto as Annexure D.

14. Acknowledgement

The Board of Directors takes this opportunity to express its sincere appreciation for the excellent support and co-operation extended by Siemens AG - the parent company, Siemens Diagnostics Holding II B.V., Netherlands, other Siemens affiliates, shareholders, customers, suppliers, bankers and other business associates. Yours Directors place on record their deep appreciation for exemplary contribution of the employees at all levels. Their dedicated efforts and enthusiasm has been integral to your Company's growth.

On behalf of the Board of Directors
Siemens Healthcare Diagnostics Ltd.
New Delhi
November 29, 2010
Narendra J. Jhaveri
Chairman

(A) Employed throughout the year ended September 30, 2010 and in receipt of remuneration aggregating not less than Rs. 24,00,000/- :

Name	Designation & Nature of Duties	Remuneration Received (Rs.)	Qualification and Experience (in years)	Date of Employment	Age (Years)	Previous Employment held
Anil Shankar	Whole-time Director & CFO	80.95 Lacs	C.A., MBA (Fin. & Intl. Bus.)	15.05.2008	56	Finance Director Dade Behring Diagnostics (I) Pvt. Ltd.

(B) Employed for part of the year with an average salary above Rs. 2 lakh per month: None

Notes:

1. Appointment of Executive Directors is contractual.
 2. Remuneration received includes salary, commission, allowances, medical expenses, leave travel assistance, taxable value of perquisites etc. and Company's contribution to provident fund, gratuity and superannuation funds.
- The above employees are / were not a relative of any Director of the Company.

Annexure – A to Director's Report

Information as per Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended September 30, 2010.

I Conservation of Energy		4. Other/Internal Generation		(B) Consumption per Unit of Production	
(i) Saving of energy in terms of Electricity Consumption is our prime concern and has achieved Power Factor upto 0.99. Received rebate of Rs.32680.45 by achieving power factor from Madya Gujarat Vij Company Ltd. Well planned Preventive Maintenance has improved our operational efficiency.		Electricity Cannot be ascertained	Product (Reagent Strips, Kits and Instruments)		
(ii) Water and air pollution control measures are optimum and industrial trade-effluents are used for gardening after adjusting the pH. Tree plantation at the factory site is maintained properly.		Furnace Oil/Coal	Others		
(iii) (A) Power and Fuel Consumption	2009-10	2008-09			
1. Electricity					
a. Purchased Unit	3064448	326336			
Total Amount (Rs.)	1,910,417	2,064,913			
Rate/Unit (Rs.)	6.23	6.32			
b. Own Generation					
i) Through D.G. Unit	1083	4,809			
Unit Generated per Litre of Diesel Oil Consumed (Rs.)	1.86	2.43			
ii) Through Steam / Turbine Generator	38.83	38.98			
2. Coal	N.A.	N.A.			
3. Furnace Oil					
Quantity (Litres)	9143	8,872			
Total Amount (Rs.)	33062.30	385,045			
Average Rate (Rs.)	36.10	43.30			

II Technology Absorption and Research and Development

- a. Main areas of emphasis include:
 - Acquisition of new improved laboratory equipment to further assure quality. New spectrophotometer is already on way to come, further few old equipments (burst strength tester & analytical balance) would be replaced with new one in near future. Also Planned to have new tablet hardness tester.
 - Continuous emphasis on significant upgradation of manufacturing facility to improve product quality. There is plan to include IR band on Strips manufacturing (MSG, URX & CSG) which will enable self identification of these strips on urinalyzers.
 - The Company has no R & D activities.
- b. The Company has not imported any technology during the last five years.
- c. Foreign Exchange Earnings and Outgo
 - Foreign Exchange earnings through exports and commission aggregated to Rs. 176.45 lakh against outgo of Rs. 213.30 lakh, particulars of which are given in Schedule 20(ii) of the Accounts.

Annexure – B to Director's Report

Management Discussion and Analysis

Overview:

The Indian economy is the 12th largest in USD exchange rate terms. India's GDP has touched US\$1.25 trillion. India is the second fastest growing economy of the world and during the fiscal year 2009-2010 India's GDP growth rate was nearly 9% despite rise in crude oil prices and financial turbulence. Indian economy is a diverse one, encompassing agriculture, textiles, handicrafts etc. Although many people are still dependent upon agriculture, the service sector is also playing a very important role in the Indian economy.

The healthcare sector in India is on a roll. The purchasing power of the Indian middle class is rising very rapidly. So they can afford quality healthcare. It is estimated that by 2012 the healthcare sector will rise up to US\$40 billion. Today most of the Indians can buy western medicines and so the healthcare sector in India is growing rapidly. Due to its very bright prospects people are also inclined to invest in the healthcare sector.

The booming healthcare sector in India is also spurring industries such as healthcare equipment and information technology in healthcare. Information technology plays an important role in health care, and according to a report, India has the fastest growing healthcare IT market in India. The Indian healthcare sector is also attracting many foreigners to India, to access the healthcare facilities.

Indian Healthcare Sector:

In the recent past India Healthcare sector has attained greater heights and the facts given below are clear indicators of such a success

- On par with the International Standards, Indian Specialists have performed over 500,000 complex surgeries in the areas of cardiology, neurology and oncology with enormous success rates.
- Statistics indicate that 98.7% of cardiac surgeries performed in India are successful and it is estimated that this success rate is significantly higher than that of USA.
- Estimates show that success rates in renal transplantation is close to 95%.

Government of India is taking several steps to promote medical tourism and in fact patients visiting India for such medical interventions are provided visa under a special category call "Medical Visa".

Activities:

The Company continues to develop further. With the acquisition of Indian businesses of Dade Behring Diagnostics (I) Pvt. Ltd., New Delhi effective August 1, 2008 your Company has extended its lead in Diagnostics Industry, especially in Clinical Chemistry, Microbiology & Plasma Protein offerings. By integrating Dade

Behring, the Company has broadened the diagnostic spectrum for in vitro testing requirements.

With Siemens Medical Division having technologies in vivo testing, this makes your Company the first integrated diagnostics company. It combines under one roof imaging diagnostics, laboratory diagnostics, clinical information technology, consulting and comprehensive services.

The Company, being in the Diagnostics business continued to focus on Immunodiagnosics & Clinical Chemistry business and maintained its leadership Urinalysis business. The Company has also significant presence in critical care, Hematology, Microbiology plasma protein business. In the Immunodiagnosics business, new instrument and Assays were launched expand the menu offered by the Company.

Demographic change and increasing cost pressure healthcare today require comprehensive and broad based solutions that improve quality while reducing cost at the same time. As an innovation leader and one of the world's largest solutions providers in healthcare Siemens Healthcare acts on these challenges.

Industry Structure & Development:

Diagnostic Industry maintained its high Compound Annual Growth Rate (CAGR) of 15%. The trend favouring such a high CAGR are fast growing household income, accelerated urbanisation, increase in life style diseases, increase public awareness and focus on healthcare due to rise in income levels and education.

Setting up of Chain labs has become the order of the day. More and more laboratories are opting for automation to increase their efficiency. High growth is being achieved by setting up satellite labs and increasing collection points. This is resulting into more and more Hospital outsourcing their diagnostics activities to the labs.

The major healthcare facilities are appearing in private hospitals, independent labs and private chain labs as public hospitals continue to serve the masses.

Opportunities, Threats & Risks:

Since the Company has significant presence in key business areas of Immunochemistry, Clinical Chemistry Hematology, Urinalysis and Critical care, favourable conditions are prevalent for Company to leverage its product portfolio in laboratories segment. Extensive sales and marketing, customer support, services and distribution network on all Indian basis is providing excellent opportunity to the Company to achieve its targeted growth momentum. Diagnostics market is high competitive - both in terms of cost perspective and number of competitors. Local and new 'low cost' competitors are entering the market applying price pressures on the more established players. However, the market perception of such low cost technologies and low cost competitors remains that of poor quality.

Customer landscape is highly fragmented and volume driven businesses are getting consolidated. Product registration protocols and uncertainty over application of Diagnostics specific FDA regulations continue to exist.

Internal Control Systems:

The Company has adequate internal control systems for its financial reporting and asset management. The Company, being part of Siemens Group follows the group policies and has established Code of conduct for Directors, management and employees. The Company's internal control systems are regularly reviewed by external firm of auditors and as stated by Statutory Auditors in their report, considered adequate. Operational audits are conducted under the ISO 9000 certification process and risk based process controls are reviewed during the internal management meetings.

All audit findings are reviewed by the management and Audit Committee of the Board and the suggestions and recommendations agreed by the Company are implemented with defined responsibilities and time lines.

Material Development in Human Resources and Industrial Relations:

The Company, being in Diagnostics Industry which is knowledge base and technical in nature, regularly in parts training to it's various employees to update their knowledge and skills. Investments are made to upgrade facilities available to employees to carry out their tasks more efficiently. Global and Regional Human Resources initiatives are adopted to strengthen company specific efforts. The Company continues to maintain cordial and harmonious industrial relations.

Annexure C - to Director's Report

Corporate Governance Report

1. Company's philosophy on Governance and Corporate Principles

Philosophy

The Company's philosophy of Corporate Governance is aimed at assisting the top management in efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and its stakeholders, guided by a strong emphasis on transparency, accountability and integrity.

Over the years, the Company has shown a high level of commitment towards effective Corporate Governance practices and has maintained high business ethics. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of stakeholders over a sustained period of time in a social responsible way.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

Corporate Principles

The Company has adopted the five Corporate Principles of its parent company, Siemens AG, Germany. The Corporate Principles have been formally established to shape the Company's thinking and conduct. They are brief described below:

1. **Customers – We strengthen our CUSTOMERS – to keep them competitive**
Our success depends on the success of our customers. We provide our customers with our comprehensive experience and solutions so they can achieve their objectives fast and effectively.
2. **Innovation – We push INNOVATION – to shape the future**
Innovation is our lifeblood, around the globe and around the clock. We turn our people's imagination and be practices into successful technologies and products. Creativity and experience keep us at the cutting edge.
3. **People – We empower our PEOPLE – to achieve world-class performance**
Our employees are the key to our success. We work together as a global network of knowledge and learning. Our corporate culture is defined by diversity, by open dialogue and mutual respect, and by clear goals and decisive leadership.
4. **Responsibility – We embrace corporate RESPONSIBILITY – to advance society**
Our ideas, technologies and activities help create a better world. We are committed to universal values, good corporate citizenship and a health environment. Integrity guides our conduct toward our employees, business partners and shareholders.
5. **Value – We enhance company VALUE – to open up new opportunities**
We generate profitability growth to ensure sustainable success. We leverage our balanced portfolio, on business excellence and synergies across all segments and regions. This makes us a premium investment for our shareholders.

II. Board of Directors (Board)

Your Board of Directors has a primary role of trusteeship to protect and enhance shareholder value through strategic supervision of the Company by providing direction and exercising the appropriate control. Your Board includes eminent professionals who have excelled in their respective areas of specialization and comprises professionals drawn from management, financial, legal and other fields.

The Board consists of 5 members, 1 of which is executive or full-time director, 4 are non-executive out of which 2 are independent directors. The Board believes that the current size is appropriate, based on our present circumstance apart from drawing sitting fees and commission, none of the Independent Directors have any other material pecuniary relationship or transactions with the Company, its Promoters, its Management or its subsidiaries, which in the judgement of the Board would affect the independence or judgment of Directors.

The Company has not entered into any materially significant transactions with its promoters, directors or their management or their relatives that may have potential conflict with the interests of the Company at large.

Constitution of the Board as on September 30, 2010

Sr. No.	Name of the Director	Status	No. of other Directorships *	No. of other Board Committees	
				Membership	Chairman
1	Mr. Narendra J. Jhaveri Chairman	Non-Executive & Independent	9	4	2
2	Mr. Etienne Szavo, Director	Non-Executive & Non-Independent	—	—	—
3	Mr. Pradip V Nayak, Director	Non-Executive & Independent	2	3	—
4	Mr. D. Ragavan, Director	Non-Executive & Non-Independent	—	—	—
5	CA. Anil Shankar, Whole-time Director	Executive & Non-Independent	—	—	—

Note : None of the directors are related to each other.

* No. of other directorships include directorship held in other Indian public companies.

Board Procedure

The annual calendar of meetings is agreed upon at the beginning of each year. Board Meetings are held once in every quarter. In addition to this, Board Meetings are convened to transact special businesses, as and when necessary. The meetings are governed by a detailed agenda. All major issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions.

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibility effectively, is circulated in advance to the Directors. The Whole-time Director briefs the Board at every meeting on the overall performance of the Company. The Board is briefed on all the matters of the Company at its meeting. The important matters discussed at the meeting of the Audit Committee are also highlighted to the Board.

The information as specified in Annexure 1A to the Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

Number of Board meetings and the attendance of directors during the period October 1, 2009 to September 30, 2010

There were six Board meetings held during the period October 1, 2009 to September 30, 2010. These were on October 29, 2009, November 26, 2009, November 30, 2009, January 28, 2010, April 30, 2010 and August 6, 2010. Attendance record of the directors was as under:

Name of directors	No. of Board meetings held	No. of Board meetings attended	Attendance at last AGM
Mr. Narendra J. Jhaveri	6	6	Yes
Mr. Etienne Szavo	6	3	No
Mr. Pradip V Nayak	6	6	Yes
Mr. D. Ragavan	6	5	Yes
CA. Anil Shankar	6	6	Yes

Remuneration Policy

The Board of Directors has constituted remuneration committee in its meeting held on July 24, 2007. Remuneration committee is to discharge the Board's responsibilities relating to compensation of the Company's executive directors. The remuneration of the executive directors comprises of salary, commission, perquisites and allowances, contribution to provident fund, superannuation fund and gratuity. The executive directors are also entitled to leave and leave encashment as per the rules of the Company.

The non-executive independent directors are paid commission, sitting fee for Board / Committee meetings and reimbursement of travelling and out of pocket expenses for attending such meetings. None of existing directors hold any shares in the Company.

Details of remuneration paid / payable to directors for FY 2009 - 2010 is as under:

(Amounts in Rs.)

Name of Directors	Fixed Salary	Variable Salary	Perquisites/ allowances	Retiral benefits	Commis- sion	Sitting fee (Gross)	Total compen- sation	Notice period (in days)
Mr. Etienne Szavo	—	—	—	—	—	—	—	—
Mr. Narendra J. Jhaveri	—	—	—	—	750,000 *	220,000	970,000	—
Mr. Pradip V Nayak	—	—	—	—	750,000 *	220,000	970,000	—
Mr. D. Ragavan	—	—	—	—	—	—	—	—
CA. Anil Shankar	2,053,530	1,800,704	3,186,974	369,636	664,510	—	8,095,354	180

* Subject to approval of accounts by shareholders at their forthcoming AGM.

Materially significant related party transactions

There have been no material significant related party transactions, monetary transactions or relationships between the Company and directors, management or relatives, except for those disclosed in the financial statements for the year ended September 30, 2010.

III. Committees of Board of Directors under Corporate Governance Code

a. Audit Committee of Directors (Audit Committee) - Since October 27, 2004

Composition as on September 30, 2010

The Audit Committee presently comprises of three Directors out of which two are independent directors. They are:

Name	Designation	Category
Mr. Pradip V. Nayak	Chairman	Non-Executive & Independent
Mr. Narendra J. Jhaveri	Member	Non-Executive & Independent
Mr. D. Ragavan	Member	Non-Executive & Non Independent

The Company Secretary acts as the Secretary to the Committee. The Whole-time Director, Company Secretary and the Statutory Auditors are permanent invitees to the Meetings. The powers and terms of reference of the Audit Committee are as mentioned in the Clause 49 II (C), (D) & (E) of the Listing Agreement and Section 292A of the Companies Act, 1956.

Terms of reference

The terms of reference are briefly described below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on: (i) Any changes in accounting policies and practices, (ii) Major accounting entries based on exercise of judgement by management, (iii) Qualifications in the draft audit report, (iv) Significant adjustments arising out of audit, (v) The going concern assumption, (vi) Compliance with accounting standards, (vii) Compliance with stock exchange and legal requirements concerning financial statements, (viii) Any related party transactions i.e., transactions of the Company of material nature with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with interests of the Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences nature and scope of audits as well as have post-audit discussion to ascertain any areas of concern.
- Reviewing the Company's financial and risk management policies.

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review with the management, the annual financial statements before submission to the Board for approval with specific reference to (a) matters required to be included in the Directors Responsibility Statement (b) Review with the management quarterly financial statements before submission to the Board for approval. (c) Review the functioning of the Whistle Blowing mechanism.
- To review (a) Management discussion and analysis of the financial condition and results of operations; (b) Internal audit reports relating to internal control weaknesses; (c) The appointment, removal and terms of remunerations of the Chief Internal Auditor shall be subjected to review by the audit committee.

Meetings and attendance during the period October 1, 2009 to September 30, 2010
Five meetings were held during the period October 1, 2009 to September 30, 2010. These were held on October 29, 2009, November 25, 2009, January 28, 2010, April 30, 2010 and August 6, 2010.

Name	Attendance at the Meeting held on					
	29.10.2009	25.11.2009	28.01.2010	30.04.2010	06.08.2010	
Mr. Pradip V. Nayak	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Narendra J. Jhaveri	Yes	Yes	Yes	Yes	Yes	Yes
Mr. D. Raghavan	Yes	Yes	Yes	No	No	Yes

The Minutes of the Audit Committee Meetings are noted at the Board Meetings. Chairman of the Audit Committee was present at the 35th Annual General Meeting held on January 28, 2010.

- b. Shareholders / Investors Grievance Committee of Directors (Investors Grievance Committee) – Since October 27, 2007

The Investors Grievance Committee is headed by an Independent Director, and consists of the following directors:

Name	Designation	Category
Mr. Pradip V. Nayak	Chairman	Non-Executive & Independent
Mr. Hareesh Khilnani	Secretary	Company Secretary

Details of various correspondences done are summarized herein below:

Nature of correspondence	2009-2010	
	Received	Cleared
Non-receipt of dividend	Nil	Nil
Letters from SEBI	Nil	Nil
Letters from stock exchanges	Nil	Nil
Non receipt of share certificates duly transferred	Nil	Nil

The committee expresses satisfaction with the Company's performance in dealing with investor queries and its share transfer system. Mr. Hareesh Khilnani, Company Secretary has been nominated as the "Compliance Officer" with effect from July 1, 2008 in compliance of Securities and Exchange Board of India (SEBI) Regulations and the Listing Agreement.

c. Share Transfer Committee

The Share Transfer Committee of the Board of Directors has been delegated the powers to attend to share transfer / transmission approvals and issue of duplicate / consolidated / split share certificates. All share transfer / transmission / issued of duplicate shares, other share related matters are placed before the members of the Board and the same are approved in respective meetings. The Share Transfer Committee of the Company consists of following members:

Name	Designation	Category
CA. Anil Shankar	Chairman	Whole-time Director & CFO
Mr. Hareesh Khilnani	Member	Company Secretary

- d. Remuneration Committee – Since July 24, 2007

The Remuneration Committee comprises of three Non Executive Directors, out of which two Directors are Independent. The present composition is as follows:

Name	Designation	Category
Mr. Pradip V. Nayak	Chairman	Non-executive & Independent
Mr. Narendra J. Jhaveri	Member	Non-executive & Independent
Mr. D. Raghavan	Member	Non-executive & Non Independent

IV. Shareholder Information

a. Annual General Meeting

Day & Date of AGM : Thursday, January 27, 2011
Venue : WelcomHotel Vadodara, R. C. Durt Road, Vadodara 390001
Time : 11.30 am

b. Dates of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from January 21, 2011 to January 27, 2011 (both days inclusive).

c. Proposed Date of Dividend Payment

The dividend as recommended by the Board of Directors if declared at the Meeting, will be paid on or after January 27, 2011

d. Financial Calendar

The Financial calendar of the Company is from October 1 to September 30. (Tentative and subject to change)

e. Board Meetings for Quarterly Results

Quarter I - ending on December 31, 2010
Quarter II - ending March 31, 2011 and resultant half yearly results
Quarter III - ending on June 30, 2011
Year ending September 30, 2011
Annual General Meeting for the year ending September 30, 2011

f. Registered Office

589, Sayajipura, Alwa Road, Vadodara 390019 Gujarat, India

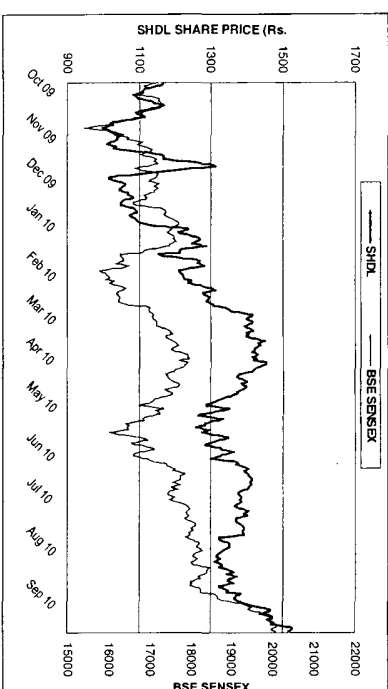
g. Listing of Equity Shares on Stock Exchanges:

The equity shares of the Company are listed on Bombay Stock Exchange Limited. The annual listing fees are paid regularly.

h. Scrip Code

Bombay Stock Exchange Limited (BSE) : 506559
International Securities Identification Number : INE195D01014
(ISIN) for NSDL & CDSL

i. Stock Performance



j. Registrar & Share Transfer Agents

Link Intime India Pvt. Limited
1st Floor, Jadhara Complex,
Opp. Manisha Society,
Off Old Padra Road,
Vasna Road, Vadodara - 390 015
Phone : 91 265 3249857, 2250241
Fax : 91 265 2290246
E-mail: vadodar@linktimespectrum.com

k. Market Price Data:

High and Low quotations of the Company's shares on Bombay Stock Exchange Limited (BSE) during the period October 1, 2009 to September 30, 2010

Month	Share Prices (Rs.)	
	High	Low
Oct 2009	1199.00	1003.55
Nov 2009	1353.00	972.00
Dec 2009	1127.65	1000.00
Jan 2010	1352.00	1080.00
Feb 2010	1349.00	1196.10
Mar 2010	1489.00	1260.50
Apr 2010	1475.00	1321.25
May 2010	1399.90	1205.00
Jun 2010	1424.95	1286.00
Jul 2010	1492.20	1310.00
Aug 2010	1445.00	1300.00
Sep, 2010	1560.50	1281.25

l. Share Transfer System

The Shares of the Company, being in the compulsory demat list for all investors, are transferable through the depository system. Shares transfer in physical form as well as demat request confirmation are processed by Link Intime India Pvt. Ltd., Baroda, Registrars and Share Transfer Agents of the Company and approved by the Share Transfer Committee by circular resolution.

m. Distribution of Shareholding as on September 30, 2010

Range of Shares	No. of Shareholders	Percentage to total Shareholders	No. of Shares	Percentage to total Share Capital
1 - 5000	4,388	99.80	434,285	27.71
5001 - 10000	6	0.14	35,520	2.27
10001 - 20000	1	0.02	10,419	0.66
20001 - 30000	1	0.02	20,337	1.30
30001 and above	1	0.02	1,066,789	68.06
TOTAL	4,397	100.00	1,567,350	100.00

n. Shareholding pattern as on September 30, 2010

Category	No of shares held	% of shareholding
A Promoter's Holding		
1 Promoters	-	-
- Indian Promoters	-	-
- Foreign Promoters	1,077,208	68.73
2 Persons acting in concert		
Sub Total	1,077,208	68.73

Category	No of shares held	% of shareholding
B Non-Promoter's Holding		
3 Institutional Investors		
a Mutual Funds and UTI	518	0.03
b Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)	4780	0.31
c FIS		
Sub Total	5,298	0.34
4 Others		
a Private Corporate Bodies	36,934	2.36
b Indian Public	436,746	27.87
c Clearing Members	1,671	0.11
d NRIs / OCBS	9,493	0.61
Sub-Total	484,844	30.93
GRAND TOTAL	1,567,350	100.00

Shareholders holding more than 1% of the shares

Details of shareholders (non-promoters) holding more than 1% of the equity as on September 30, 2010 are given below:

Name of shareholder	Category	No. of shares	%
Mukul Mahavir Prasad Agrawal	Resident Individual	20,337	1.30

o. Dematerialisation of Shares

The equity shares of the Company are available for dematerialisation w.e.f. April 27, 2001 and are compulsorily traded in electronic form. As on September 30, 2010, 1,503,068 (95.90%) equity shares are in electronic form.

p. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any such securities.

q. Plant locations:

The Company has only one plant located at 589 Sayajipura, Ajiwa Road, Vadodara - 390 019.

r. Designated e-mail address for investor services:

In terms of clause 47(f) of the Listing Agreement, the designated e-mail address for investor complaints is haresh.khilnani@siemens.com

s. General body meetings

Details of the last three Annual General Meetings are given as under:

Year	Location	Date	Time	No. of Special Resolutions passed
2009	589 Sayajipura, Ajiwa Road, Vadodara 390 019	January 28, 2010	1.00 p.m.	One
2008	589 Sayajipura, Ajiwa Road, Vadodara 390 019	February 27, 2009	11.30 a.m.	Nil
2007	Chandraya Hall, WelcomHotel Baroda, R.C. Dutt Road, Vadodara - 390 007.	March 24, 2008	11.00 a.m.	Three

t. Material disclosures and compliance

Disclosures

a. The Company has not entered into any transactions of a material nature with the promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company. Detailed information of material transactions entered into with related parties have been disclosed elsewhere in this Annual Report.

b. The Company has complied with all the requirements of regulatory authorities. No penalties / strictures were imposed on the Company by the stock exchanges or SEBI or any statutory authority on any matter related to the capital market during the last three years.

c. Disclosures have also been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have a personal interest. However, none of these transactions have potential conflict with the interests of the Company at large.

u. CEO and CFO certification

As required under clause V of Clause 49 of the listing agreement with the stock exchanges, the Chief Financial Officer who presently also assumes responsibilities of a Chief Executive Officer has certified to the Board the financial statements for the period ended September 30, 2010. He has further declared that all board members and senior management have affirmed compliance with the code of conduct for the year ended September 30, 2010.

v. Means of communication

The quarterly, half yearly and annual results of the Company are published in Business Standard and Vaddodara Samachar. Financial results, shareholding pattern, annual report are also available at Company's web link created in the 'Investors Relations' section at www.siemens.co.in. The results are also displayed on SEBI website: www.sebidatar.nic.in.

Office of the Chairman etc.

The Chairman holds Non-Executive Office attracting no remuneration.

w. Compliance

Mandatory requirements

The Company is fully compliant with the applicable mandatory requirements of the clause 49 of the Listing Agreement.

Adoption of non-mandatory requirements

Although it is not mandatory, a remuneration committee of the board is in place. Details of the remuneration committee have been provided under the Section 'Remuneration Policy'.

The Auditors have qualified the Company's financial statements for the year under review to the effect that the Company's application has been rejected by the Central Government for managerial remuneration paid to an Ex Managing Director in excess of the approval earlier accorded by the central government. The above matter is explained in detail in the Directors' report.

x. Details of Public Funds obtained in last 3 years

The Company has not accepted / renewed any Fixed Deposits from the public in last 3 years.

New Delhi
November 29, 2010

On behalf of the Board of Directors
For Siemens Healthcare Diagnostics Limited

Narendra J. Havari
Chairman

AUDITORS' CERTIFICATE

To The Members of Siemens Healthcare Diagnostic Limited

We have examined the compliance of conditions of corporate governance by Siemens Healthcare Diagnostic Limited for the year ended on September 30, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Mumbai
November 29, 2010

For S. R. Balthoi & Co.
Firm Registration No. 301003E
Chartered Accountants
Per Ravi Bansal
Partner
Membership No.: 49365

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Annexure D – to Compliance Certificate

CIN: L85910C1974PLV002595
Nominal Capital: Rs.40,000,000/-
Paid Up Capital: Rs.15,673,500/-

To,
The Members
Siemens Healthcare Diagnostics Ltd.
589 Sayalipura, Alwa Road,
Vaddodra - 390 019

We have examined the registers, records, books and papers of Siemens Healthcare Diagnostics Ltd. (hereinafter referred to as the Company) as required to be maintained under the Companies Act, 1956, (hereinafter referred to as the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 30th September, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

- The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
- The Company has duly filed the forms and returns as stated in Annexure 'B' to the certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
- The Company, being a Public Limited Company, has the minimum prescribed paid up capital.
- The Board of Directors duly met six times on 29th October, 2009, 26th November, 2009, 30th November, 2009, 28th January, 2010, 30th April, 2010 and 6th August, 2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
- The Company closed its Register of Member from 25th January, 2010 to 28th January, 2010 (both days inclusive). However, no record in respect of publication of Advertisement in the newspaper as required under 154 of the Act has been produced to us.
- The Annual General Meeting for the financial year ended on 30th September, 2009 was held on 28th January, 2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- One Extraordinary General Meeting was held during the financial year on 28th January, 2010 pursuant to the directions of Hon the High Court of Gujarat for approving scheme of amalgamation with Siemens Ltd. after giving due notice to the members of the Company and the resolution passed thereat were duly recorded in Minutes Book maintained for the purpose.
- The Company has not advanced any loan to its directors or persons or firms or companies referred in the Section 295 of the Act.
- The Company has not entered into any contract falling within the purview of Section 297 of the Act.
- The Company has made necessary entries in the register maintained under Section 301 of the Act.
- As there was no instance falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors members or Central Government.
- The Company has not issued any duplicate certificates during the financial year.
- (i) There was no allotment of securities during the financial year. However, the Company has delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the Act.
(ii) The Company has deposited necessary dividend amounts in separate bank account within five days from the date of declaration of dividend.
(iii) The Company has posted warrants to all members of the Company within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company.
(iv) The Company has transferred the amounts in unpaid dividend account and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund. However, there was no application money due for refund, matured deposits, matured debentures or interest accrued thereon.
- (v) The Company has duly complied with the requirements of Section 217 of the Act.
- The Board of Directors of the Company is duly constituted. There was no appointment of Alternate director. Additional director, and Director to fill up casual vacancies during the financial year.
- No appointment of Managing Director/whole time Director/ Manager has been made pursuant to Section 269 read with Schedule XIII of the Act during the year. The appointment of whole time Director has been approved by the Central Government.

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Compliance Certificate (Continued)

16. The Company has not appointed any Sole-Selling Agent during the financial year.
17. The Company was not required to obtain any approval of Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the Act. However, the Company has made application for appointment of and remuneration payable to its Whole time Director which is approved. The application for waiver of excess remuneration to former Managing Director is rejected. Company has initiated necessary actions consistent with its obligations in this regard.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any share during the financial year.
21. There was no redemption of preference shares or debentures during the financial year as the company has issued neither of them.
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company during the financial year ended 30th September, 2010 is within the borrowing limit of the Company within the meaning of Section 293(O)(d) of the Act.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. There was no prosecution initiated against or show cause notice received by the Company during the financial year for offences under the Act.
31. The Company has not received any money as security from its employees during the financial year.
32. Provisions of Section 418 of the Act are not applicable to the Company as the Company has not constituted separate Provident Fund within the meaning of Section 418 of the Act.

For D. Patilak & Associates
Practising Company Secretaries
 Place : Vadodara
 Date : November 29, 2010
 CS Deyesh A. Patilak
 C.P.No. : 2306

ANNEXURE - A

- Registers as maintained by the Company,
- 1) Register of Charges us 143
 - 2) Register of Members us 150
 - 3) Register of Transfers
 - 4) Books of account us 209
 - 5) Register of Directors, Managing Director, Manager and Secretary us 303.
 - 6) Register of Directors' shareholding us 307.
 - 7) Register of Investments or loans made, guarantee given or security provided us 372A.
 - 8) Register of Renewed and Duplicate Certificate under Rule 7 of the Companies (Issue of Share Certificate) Rule, 1960.
 - 9) Minutes Book of Board Meeting us 193.
 - 10) Minutes Book of General Meeting us 193.

ANNEXURE B

- Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 30th September, 2010.
1. Form 23AC (Balance Sheet) & 23 ACA (Profit & Loss A/c) for the year ended 30/09/2009 filed us: 220 vide SRN No. P46047486 on 25/02/2010.
 2. Form 20 B (Annual Return) as at 28th January, 2010 filed us: 159 & 161 vide SRN No. P46783478 on 29/03/2010.
 3. Form 66 (Compliance Certificate) filed us: 383 vide SRN No. P45857653 on 18/02/2010.
 4. Form 1 pursuant to Rule 3 of the Investors Education And Protection Fund (Awareness and Protection And Protection) Rules, 2001 vide SRN No. A89927594 on 26/07/2010.
 5. Form 23B for period 01/01/2010 to 03/02/2010 filed on 16/2/2010.
 6. Form 32 in respect of cessation of Mr. P. Shivakumar as a Director we'd. 30/11/2009 filed us 303(2) on 31/12/2009.
 7. Form 23 in respect of special resolution for approval to payment to non-executive Directors on 28/01/2010 filed us 309 read with Section 192 on 20/02/2010, vide SRN A78970662.

Auditors' Report**To the Members of Siemens Healthcare Diagnostics Limited**

1. We have audited the attached Balance Sheet of Siemens Healthcare Diagnostics Limited (The Company) as at September 30, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed hereto. 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order:
 4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on September 30, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on September 30, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. As explained in schedule 20 (f) to the financial statement, the company's application to the Ministry of Corporate Affairs (MCA), Government of India for approval of managerial remuneration of Rs 43,774 thousands paid to the Ex- Managing Director during the year ended September 30, 2008 in excess of the amount earlier approved by the Central Government under the Companies Act, 1956, has been rejected during the year, with further instruction to recover the excess remuneration so paid. As explained by the management, the Company has written to the MCA for reconsidering it's application and also initiated necessary action in this regard to comply with the order, however, pending recovery of the amount, no adjustments to the accompanying financial statement are made.

Our audit report on the financial statements for the year ended September 30, 2009 was also qualified in respect of the matter stated above.

vi. In our opinion and to the best of our information and according to the explanations given to us, subject to the effect of the matter included in the paragraph 4(vi) above, the effect of which is currently not ascertainable, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

 - a. in the case of the balance sheet, of the state of affairs of the Company as at September 30, 2010;
 - b. in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c. in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.
 Firm Registration No.: 301003E
 Chartered Accountants
per Ravi Bansal
 Partner
 Place: Mumbai
 Date: November 29, 2010 Membership No.: 49365

Annexure referred to in paragraph 3 of our report of even date
Re: Siemens Healthcare Diagnostic Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the certain fixed assets during the year and we are informed that no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, accordingly provision of clause (iii)(b) to (iii)(d) are not applicable to the Company.
- (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, accordingly provision of clause (iii)(f) & (iii)(g) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including investor education and protection fund, employees' state insurance, income-tax, wealth tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities though there has been slight delays in few cases of professional tax and Sales-tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investments given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, service tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount under dispute not deposited (Rs. in '000)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Additional Income tax liability due to various disallowance	1,508	Assessment year 2005-2006	Income Tax Appellate Tribunal for AY 2005-06
Import Export (Control) Act, 1947	Penalty for non-fulfillment of export obligation	500	December 1977 to December 1982	The High court of Gujarat, Ahmedabad
The Customs Act, 1962	Interest on differential Custom Duty	206	September 2003 to February 2004	Assistant Deputy Commissioner of Customs
Chapter V of The Finance Act, 1994	Service tax on Service Contracts	2,192	January 2001 to June 2003	Commissioner of Central Excise and Customs
The Central Excise Act, 1944	Differential Excise Duty (Including penalty) in respect of classification matter	22,540	March 1988 to October 1992	The Customs, Excise and Services Tax Appellate Tribunal

There are no dues outstanding of sales tax, wealth tax and cess on account of any dispute.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company did not have any outstanding dues to any financial institution, banks and the Company did not have any borrowing by way of debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced 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.
- (xiii) In our opinion, the Company is not a chit fund or a muthi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that the Company has used funds raised on short-term basis for long-term investment. The company has used funds raised on short term basis by way of inter-corporate deposit of Rs. 163,002 thousands to finance fixed assets and core working capital.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issues during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xxv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

For S. R. Balthoi & Co
 Firm Registration No.: 3010031
 Chartered Accountant
 per Ravi Bansal
 Place: Mumbai
 Date: November 29, 2010
 Membership No.: 4936

**Balance sheet
as at 30 September 2010
(Currency : Indian rupees thousands)**

	Schedules	As at	
		30 September, 2010	30 September, 2009
SOURCES OF FUNDS			
Shareholders' funds	2	15,674	15,674
Share capital		537,456	472,639
Reserves and surplus	3		
Loan funds	4	400,000	400,000
Unsecured loan		953,130	888,313
APPLICATION OF FUNDS			
Fixed assets	5		
Gross block		1,322,281	1,134,697
Less: Accumulated depreciation/amortization		688,892	478,288
Net block		633,389	656,409
Capital work-in-progress including capital advances		57	6,547
		633,446	662,956
		115,321	84,180
Deferred tax assets	6		
Current assets, loans and advances		290,713	387,827
Inventories	7	397,762	436,035
Sundry debtors	8	176,300	306,430
Cash and bank balances	9	42,610	68,466
Loans and advances	10	907,385	1,198,758
Less : Current liabilities and provisions			
Current liabilities	11	659,344	1,023,018
Provisions	12	43,678	34,563
		703,022	1,057,581
		204,363	141,177
		953,130	888,313
Net current (liabilities)/assets			
Significant accounting policies	1		
Notes to accounts	19-35		

The schedules referred to above form an integral part of the balance sheet

As per our report of even date

For and on behalf of the Board of Directors of
Siemens Healthcare Diagnostics Limited
Chartered Accountants

N. J. Jhaveri
Chairman
Etiemme Szivo
Director
P. V. Nayak
Director
Harsh Kihlmani
Company Secretary

Anil Shankar
Whole-time Director
& CFO
D. Raghavan
Director
New Delhi
November 29, 2010

**Profit and loss account
for the year ended September 30, 2010
(Currency : Indian rupees thousands)**

	Schedules	For the year ended	
		30 September, 2010	30 September, 2009
Income			
Sales (gross)		1,746,931	1,670,415
Excise duty		(14,700)	(16,579)
Sales (net)		1,732,231	1,653,836
Other operating income	13	32,190	23,193
Other income	14	67,864	22,713
		1,832,285	1,699,742
Expenditure			
Cost of sales and services	15	912,034	970,946
Personnel expenses	16	185,391	180,655
Depreciation/ Amortisation	5	238,494	198,254
Operating and other expenses	17	316,333	248,373
Financials expenses	18	26,872	11,971
		1,679,124	1,610,199
		153,161	89,543
Profit before tax		87,500	87,000
Less: Income tax expenses:		(31,141)	(52,293)
Current tax		56,359	34,707
Deferred tax credit			
		56,359	34,707
Pringe benefit tax			
Total Taxes		56,359	1,760
Net Profit/ (Loss) after tax		96,802	36,467
Balance brought forward from previous year		64,291	53,076
Amount available for Appropriation		161,093	34,861
Appropriations:			
Proposed dividend		27,429	87,937
Tax on proposed dividend		4,556	15,674
Transfer to General Reserve		9,680	2,664
		41,665	5,308
Balance carried to Balance sheet	27	119,428	23,646
Earnings Per Share			
(Equity share of face value of Rs 10 each (2009: Rs. 10 each))		61.76	64.291
- Basic and diluted (In Rs.)			
Significant accounting policies	1		
Notes to accounts	19-35		33.86

The schedules referred to above form an integral part of the profit and loss account.

As per our report of even date

For and on behalf of the Board of Directors of
Siemens Healthcare Diagnostics Limited
Chartered Accountants

N. J. Jhaveri
Chairman
Etiemme Szivo
Director
P. V. Nayak
Director
Harsh Kihlmani
Company Secretary

Anil Shankar
Whole-time Director
& CFO
D. Raghavan
Director
New Delhi
November 29, 2010

**Cash flow statement
for the year ended September 30, 2010
(Currency : Indian rupees thousands)**

	For the year ended 30 September, 2010	For the year ended 30 September, 2009
Cash flow from operating activities	153,161	89,543
Profit/(Loss) before tax	26,321	10,938
Adjustments for:	33,112	10,722
Interest expenses	10,722	10,722
Provision for doubtful debts	6,434	1,372
Provision for doubtful advances	1,372	1,372
Amortisation / Depreciation	238,494	198,254
Loss/(Profit) on sale of fixed assets, net	(313)	(922)
Dividend income	-	(101)
Interest income	(4)	(23,728)
Unrealised foreign exchange (gain) / loss	(47,758)	286,062
Operating profit before working capital changes	409,447	286,062
(Increase) / decrease in working capital	97,114	(165,384)
Increases	(322,310)	635,007
Decreases	2,210	(130,651)
Sundry creditors and other current liabilities	(222,935)	338,972
Sundry debtors and other receivables	186,512	625,034
Net change in working capital	(64,952)	(54,180)
Net cash from operating activities	121,560	570,854
Direct taxes paid	(211,930)	(343,637)
Cash flow from investing activities	3,200	1,235
Proceeds from sale of fixed assets	-	(427,845)
Payment to Dade Behring on account of Business Acquisition during Previous year	-	73,861
Proceeds from sale of investments	4	101
Interest received	4	932
Dividend received on mutual fund investments	(208,726)	(695,353)
Net cash (used in) / generated from investing activities	(208,726)	(695,353)
Cash flow from financing activities	(24,544)	(9,322)
Interest paid	(15,716)	(1,567)
Dividend paid	(2,664)	(266)
Tax on dividend	(42,964)	400,000
Intercompany deposit taken	(42,964)	388,845
Net cash (used in) / generated from financing activities	(130,130)	264,346
Net (decrease) / increase in cash and cash equivalents	306,430	42,084
Cash and cash equivalents at the beginning of the year	176,300	306,430
Cash and cash equivalents at the end of the year	2,882	-
Balance in hand	171,528	303,901
Cheques in hand	288	882
current accounts	1,604	1,647
margin money deposit (note 2)	176,300	306,430
dividend accounts (note 2)	-	-

Note:
1) The above cash flow statement has been prepared under 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statements notified under the Companies (Accounting Standards) Rules, 2006 (as amended).
2) Cash balance in Margin money deposit and dividend accounts are not available for use by the Company.

As per our report of even date

For S.R.Bathholi & Co.
Firm Registration Number : 301003E
Chartered Accountants

For and on behalf of the Board of Directors of
Siemens Healthcare Diagnostics Limited

Per Ravi Bansal Partner Membership No. 49365	N. J. Jhaveri Chairman	Ethame Sazio Director	Anil Shankar Whole-time Director & CFO
Mumbai November 29, 2010	Hareesh Khilnani Company Secretary	P. V. Nayak Director	D. Raghavan Director New Delhi November 29, 2010

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**Schedules to the financial statements
(Currency : Indian rupees thousands)**

Schedule -1

Nature of Operation:

Siemens Healthcare Diagnostics Limited ('the Company'), a public limited company registered under the Companies Act, 1956 engaged in manufacturing, marketing and customer support of Medical Diagnostic Reagents and Instrument.

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 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 disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 Fixed assets and depreciation

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Diagnostics equipments are being treated as raw traded items of inventory when they are received. However, if these instruments are issued from inventory to customers under placement agreement, these are treated as capital assets in the period of such issues and are stated at cost.

Depreciation is provided on the straight-line method ('SLM'). The depreciation rates prescribed in Schedule XIV to the Act are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of useful life / remaining life.

The fixed asset blocks and related annual depreciation rates, which in management's opinion reflect the estimated useful economic lives of the fixed assets, are:

Asset	Rate
Buildings	3.33% to 6.66%
Plant and machinery	
(a) Demo equipment, Diagnostics equipment and certain laboratory equipments	20 % to 23.75%
(b) Others	8.33%
Furniture and fittings	10% to 20%
Office equipment	10% to 33-1/3%
Vehicles 12.50% to 20%	
Leasehold Improvement	Over lease period

Assets costing less than Rs.5,000 are fully charged to the profit and loss account in the year of acquisition.

During the year, the Company, with effect from October 1, 2008 has revised the estimated useful life of its Placed Diagnostics Equipments (equipment placed at customers' site) from 51 months to 60 months which has resulted in decrease in depreciation & increase in profit before tax by Rs. 22,047 (thousands) for the year.

1.4 Intangible assets

Intangible assets comprise goodwill and customer contracts arising from the acquisition of the business of Dade Behring during the previous year. These intangible assets are amortized on straight line basis based on the following useful lives, which in management's estimate represents the period during which economic benefits will be derived from their use:

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Schedules to the financial statements (Currency : Indian rupees thousands)

1.5	Impairment of assets The carrying amounts of tangible and intangible assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
1.6	Inventories (also refer above note 1.3) Cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at the lower of cost and net realizable value. Excise duty is included in the value of finished goods inventory. Inventory is valued using weighted moving average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
1.7	Revenue recognition: Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
1.8	Sale of Goods Revenue from sales of products (Reagents and Kits) is recognized on transfer of all significant risk and rewards of ownership of the products on to the customers, which is generally on dispatch of goods or when no significant uncertainty exists regarding the amount of consideration that is derived from sale of goods. Revenue from sale of instruments is recognized up on installation of instruments at customers' site. Sales are stated gross of excise duty and exclusive of sales tax and net of rebates and trade discounts. Excise Duty deducted from turnover (gross) are the amount that is included in the amount of turnover (gross) and not the entire amount of liability arose during the year.
1.9	Service Income Revenues from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.
1.10	Dividend Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.
1.11	Interest Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
1.12	Leases: Where the Company is the lessee Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.
1.13	Where the Company is the lessor Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.
1.14	Employee benefits (a) Short term employee benefits All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. and the expected cost of ex-gratia is recognized in the period in which the employee renders the related service.
1.15	(b) Post employment benefits Defined contribution plans Retirement benefit in the form of provident Fund and approved superannuation fund are defined contribution plan and contribution paid / payable under the scheme is recognized as expense in the profit and loss account of

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Schedules to the financial statements (Currency : Indian rupees thousands)

1.16	the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.
1.17	Defined Benefit Plans: Gratuity liability is a defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
1.18	Long Term Compensation: Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
1.19	Actuarial gains and losses are recognized immediately in the profit & loss account.
1.20	Foreign Currency Transactions (i) Initial Recognition Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
1.21	(ii) Conversion Foreign currency monetary items are reported using the closing rate.
1.22	(iii) Exchange Differences Exchange differences arising on the settlement of monetary items or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.
1.23	Taxation Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
1.24	Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
1.25	The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.
1.26	Earnings per share Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
1.27	For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.
1.28	Provisions A provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
1.29	Cash and Cash equivalents: Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

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**Schedules to the financial statements
as at 30 September 2010
(Currency : Indian rupees thousands)**

	As at 30 September, 2010	As at 30 September, 2009
2 Share capital		
Authorised	40,000	40,000
4,000,000 (2009; 4,000,000) Equity shares of Rs 10 each		
Issued, subscribed and paid-up	15,674	15,674
1,567,350 (2009; 1,567,350) Equity shares of Rs 10 each, fully paid-up	15,674	15,674
Of the above:		
1,077,208 (2009; 1,077,208) Equity shares of Rs 10 each, fully paid-up, are held by Siemens Diagnostics Holding II B.V., Netherlands, the holding company;		
880,000 (2009; 880,000) Equity shares of Rs 10 each, fully paid-up, have been allotted as fully paid-up bonus shares by capitalisation of the General Reserve; and		
287,350 (2009; 287,350) Equity shares of Rs 10 each have been allotted as fully paid-up for consideration received other than in cash.		
3 Reserves and surplus		
Capital reserve	22,456	22,456
Securities premium account	385,891	380,583
General reserve	9,680	5,308
- Balance brought forward	395,571	385,891
- Transfer from profit and loss account	119,428	64,291
Profit and loss account	537,456	472,635
	400,000	400,000
	400,000	400,000
4 Unsecured Loan		
Short Term loan from other	400,000	400,000
- Intercompany Deposit (due within one year Rs. 400,000 thousands (2009; Rs. 400,000 thousands))		
	400,000	400,000
5 Fixed assets		

	Intangible assets				Tangible assets				Total				
	Goodwill (note 2)	Customer contracts (note 2)	Patent and land (refer schedule no. 31)	Leasehold ingre- improve- ment	Plant and Machinery	Vehicles	Office equip- ment	Furniture & fittings	Diagnostic & Equipment (refer Note No. 13)	Current year	Previous year		
Crack block		35,514	131,531	487	6,659	7,293	22,075	1,597	15,088	9,416	90,471	1,138,697	804,241
At 1 October 2009											90,471	1,138,697	804,241
Additions						1,295	3,120		1,137	1,065	211,798	318,430	337,093
Deletions / Disposals		35,514	131,531	487	6,659	8,692	25,128	1,597	16,226	10,449	(1,085,779)	(1,292,281)	(6,635)
At 30 September 2010						5,220	1,079		8,465	4,277	375,743	478,288	285,440
At 1 October 2009		13,811	51,138		336	3,000	12,430	1,115	4,612	1,359	171,456	238,494	198,254
Change for the year											(22,848)	(27,890)	(6,400)
Depreciation / Disposals		11,838	43,850		535	4,079	19,712	1,392	12,477	5,628	519,391	688,892	478,285
At 30 September 2010		25,449	95,008		535	4,079	19,712	1,392	12,477	5,628	519,391	688,892	478,285
Net block		9,865	36,543	487	1,103	4,613	5,416	205	3,748	5,071	566,388	633,389	656,409
At 30 September 2009		21,703	80,393	487	1,439	6,314	4,655	482	6,623	5,339	528,974	656,409	

Note:
1. Diagnostics equipments are given on lease. Future minimum lease payments are Rs. Nil (2009; Rs. Nil) as the Company has never enforced the minimum purchase commitment.

2. Unamortised period of Goodwill and Customer contracts is 10 months

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**Schedules to the financial statements
as at 30 September 2010
(Currency : Indian rupees thousands)**

	As at 30 September, 2010	As at 30 September, 2009
6 Deferred tax assets		
Arising on account of timing differences in : - Depreciation and other differences in block of fixed assets - as per tax books and financial books - Provision for employee benefits - Unrealised Exchange gain/(loss) on capital assets - Provision for doubtful debts & advances - Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years & others	60,791 10,526 588 22,490 20,926	39,979 9,619 9,569 25,063 84,180
7 Inventories (at lower of cost or net realisable value)		
Raw materials	14,067	19,773
Finished goods	4,437	7,678
Traded goods (includes goods in transit Nil (2009 Rs. 27,890 thousands))	272,209	360,376
	290,713	387,827
8 Sundry debtors		
Debtors outstanding for a period exceeding six months	21,503	11,655
Considered good:	14,183	23,919
Secured		35,686
Unsecured		59,893
Unsecured, considered doubtful		26,782
Other debts	61,538	42,408
Considered good:	300,538	358,053
Secured		400,461
Unsecured		462,817
Less : Provision for doubtful debts		26,782
	397,762	436,035
Included in debtors are debts due from companies under the same management as defined under section 370(1-B) of Companies Act, 1956:		
- Siemens Healthcare Diagnostics Pte Ltd., Singapore	306	4,535
- Siemens Healthcare Diagnostics AG, Dubai	4,535	899
- Siemens Healthcare Diagnostics, Singapore	817	6,462
- Dade Behring Diagnostics AG, Duedingen, Switzerland	817	13,631
- Siemens Healthcare Diagnostics Ltd., USA	6,075	164
- Siemens Healthcare Diagnostics Ltd., Hongkong	2,448	126
- Siemens Limited, Mumbai		
- Siemens Information Systems Ltd., Mumbai		
9 Cash and bank balances		
Cheques in hand	2,882	
Balances with scheduled banks	171,526	303,901
- current account	288	882
- margin money deposit	1,604	1,647
- unpaid dividend accounts	176,300	306,430

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Schedules to the financial statements as at 30 September 2010 (Currency : Indian rupees thousands)

	As at 30 September, 2010	As at 30 September, 2009
10 Loans and advances (unsecured)		
Considered doubtful	5,499	5,499
Advances recoverable in cash or in kind or for value to be received	-	-
Less : Provision for doubtful Advances	2,307	1,372
Deposits	2,307	1,372
Less : Provision for doubtful deposits	2,307	1,372
	-	-
Considered good		
Advances recoverable in cash or in kind or for value to be received	30,496	31,161
Deposits	9,310	11,777
Advance tax (net of provision)	-	22,313
Balances with customs and excise authorities	2,804	3,215
	42,610	68,466
11 Current liabilities		
Sundry creditors	587,661	924,454
- due to micro and small enterprise (refer schedule 32)	26,675	48,321
- others	7,998	8,643
Distributors' security deposits	15,309	15,499
Deferred income (refer schedule 33)	-	-
Investor Education and Protection Fund shall be credited by following amounts (as and when due)	1,604	1,647
- unpaid dividend	16,182	22,276
Other liabilities	3,915	2,178
Interest accrued but not due	659,344	1,023,018
	699,315	1,045,574
12 Provisions		
Provision for taxation (net of advance)	235	-
Proposed dividend	27,429	15,674
Tax on dividend	4,556	2,664
Warranty (refer schedule 21)	3,409	5,290
Gratuity (refer schedule 25)	-	4,864
Leave encashment	8,049	6,071
	43,678	34,563
13 Other operating income		
Service contracts	32,190	23,193
	32,190	23,193

Note: Provision for gratuity and leave encashment includes liability computed on actual basis for employees eligible for Severance Pay amounting to Rs. 10,695 thousands (2009), Rs. 13,473 thousands) and Rs. 2,367 thousands (2009); Rs. 2,941 thousands) respectively.

For the year ended For the year ended
30 September, 2010 30 September, 2009

Schedules to the financial statements as at 30 September 2010 (Currency : Indian rupees thousands)

	For the year ended 30 September, 2010	For the year ended 30 September, 2009
14 Other Income	4	101
Interest (includes tax deducted at source Rs. Nil (2009); Rs. 3 thousands))	63,075	19,674
Dividend gain (net)	-	932
Dividend on mutual funds	3,071	-
Debit balance written back	313	-
Profit on sale of fixed assets, net	1,401	7
Miscellaneous income	67,864	1,999
	77,664	22,713
15 Cost of sales and services		
Raw and packing materials consumed	55,520	115,515
Purchase of goods for resale	762,448	1,021,449
Excise duty on stock and others (refer schedule 26)	2,658	2,312
Closing Stock:		
Finished Goods	4,437	7,678
Traded Goods	272,209	360,376
	276,646	368,054
Less: Opening Stock		
Finished Goods	7,678	5,280
Traded Goods	360,376	194,444
	368,054	199,724
(Increase)/Decrease in inventories	91,408	(168,330)
16 Personnel expenses	168,442	156,891
Salaries, wages and bonus	9,636	17,813
Contributions to provident and other funds (refer schedule 25)	7,313	5,951
Workmen and staff welfare expenses	185,391	180,655
	192,340	204,419
17 Operating and other expenses		
Travel and conveyance	56,952	48,876
Freight	50,835	32,870
Communications	11,864	11,378
Power and fuel	2,684	3,519
Rates and taxes	1,583	867
Repairs and maintenance	-	-
- buildings	1,796	361
- plant and machinery	124	62
- others	3,353	553
Rent	18,255	18,536
Warranty expenses (refer schedule 21)	2,460	2,459
Selling expenses	4,165	2,459
Commission	2,532	3,540
Service charges	86,365	81,817
Legal and professional fees (refer schedule 20 (ii))	6,169	12,376
Office supplies, printing and stationery	2,537	1,469
Cash discount	13,094	9,781
Insurance	979	1,324
Directors' fees	1,940	400
Provision for doubtful debts	33,112	10,723
Provision for doubtful advances	6,434	1,372
Miscellaneous expenses	9,100	1,793
	316,333	248,373

**Schedules to the financial statements
as at 30 September 2010
(Currency : Indian rupees thousands)**

	For the year ended 30 September, 2010	For the year ended 30 September, 2009
18 Financials expenses	24,698	8,679
Interest on Inter corporate Deposits	1,623	2,259
Interest on Distributors Security Deposits	551	1,033
Bank Charges	26,872	1,971
19 Contingent liabilities	As at 30 September, 2010	As at 30 September, 2009
Taxation matters	10,686	24,714
- In respect of certain completed assessments where matters are under appeal by the Company	22,540	22,529
- Excise liabilities under dispute	10,471	15,970
- Sales tax liabilities under dispute	196	745
- Pending C Form Liabilities		
Matter in respect of which there is appeal before Service Tax Authorities (excluding interest and penalty thereon which is unascertainable).	2,192	2,192
Demand of Customs authorities for interest on differential duty on final assessment	206	206
Penalty for non fulfillment of export obligation	500	500
Chains against the Company not acknowledged as debts	1,877	1,877
20 Supplementary statutory information		
(i) Managerial remuneration		
Personal costs include managerial remuneration for Directors as set out below:-		
Salaries	6,090	6,140
Perquisites	3,436	2,439
Commission to Whole-time Directors (at a % of salary paid)	945	1,653
Commission to Non executive directors	1,500	1,000
Contribution to provident fund and other funds	463	893
	12,434	12,125

**Schedules to the financial statements
as at 30 September 2010
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	30 September, 2010	30 September, 2009
(i) Legal and professional fees includes Auditors' remuneration (excluding service tax)		
As Auditors		
- Statutory Audit fees	180	650
- Tax accounts and tax audit fees	121	350
- Other services	375	930
- Reimbursement of out of pocket expenses	90	43
	766	1,973
(ii) Earnings and expenditure in foreign currency		
(a) Earnings in foreign currency		
- Export of goods (on FOB basis)	16,746	29,058
- Service charges and others	899	195
(b) Expenditure in foreign currency		
- Travelling	375	4,092
- Service charges	20,955	29,588
(c) Value of imports calculated on CIF basis		
- Raw material	46,651	52,438
- Finished goods and traded goods	705,122	868,023
- Capital goods	211,798	305,550
(iv) Net dividend remitted in foreign currency		
Final:		
Period to which the dividend relates	2009	2008
Number of non-resident shareholders	1	1
Number of equity shares held on which dividend was due	1,077,208	1,077,208
Amount remitted	10,772	1,077
All amounts are remitted in Euro		

21 Disclosure relating to Warranties

Warranty provision covers the expenses related to the repairing and maintenance of equipment sold which are generally covered by yearly warranty. The amount is determined on the basis of experience of the average expenses incurred. Future cash flow in respect of the same is expected to occur over the period of the warranty. Unused balances, if any are written back on expiry of commitment.

The movement in the above provision is summarised as under:

**Schedules to the financial statements
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	30 September, 2010	30 September, 2009
Opening balance	5,290	2,832
Additions	3,408	3,578
Utilisations	4,341	1,120
Reversals	948	-
Closing balance	3,409	5,290

22 Additional information pursuant to the provisions of paragraphs 3, 4c, and 4D of Part II of Schedule VI to the Companies Act, 1956:

(i) Sales

Class of goods	Units of measurement	For the year ended 30 September 2010	For the year ended 30 September 2009
		Quantity	Value (Rs.)
Refer notes (a) below			

Class of goods	Units of measurement	For the year ended 30 September 2010	For the year ended 30 September 2009
		Quantity	Value (Rs.)
Traded Goods*			
1 Reagents and Chemicals	Number of Packs	433,437	1,421,412
2 Medical Diagnostic equipment	Number of instruments	208	150,192
3 Spares		53,351	37,724
		1,624,955	1,550,526
Manufactured Goods			
1 Reagents and Chemicals	Number of Packs	420,077	121,976
		1,746,931	1,670,415

* Includes material given as sample and on FOC under schemes.

(ii) Imported and indigenous raw and packing material consumed

	For the year ended 30 September 2010	For the year ended 30 September 2009
	Value (Rs.)	Value (Rs.)
Imported	42,283	102,691
Indigenous	13,237	12,824
	55,520	115,515

(iii) Inventories

Class of goods	Units of measurement	For the year ended 30 September 2010	For the year ended 30 September 2009
		Quantity	Value (Rs.)
Finished and traded goods**			
1 Reagents and Chemicals	Number of Packs	121,609	165,969
2 Medical Diagnostic equipment	Number of instruments	115	40,834
3 Finished Goods	Number of Packs	11,538	4,437
4 Others			65,406
			276,646
Work In progress			
			-

** Quantities of closing stocks mentioned above are after adjustment of excess / shortages / expired stocks, samples and use for product demonstration / placements.

**Schedules to the financial statements
as at 30 September 2010
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22 Additional information pursuant to the provisions of paragraphs 3, 4c, and 4D of Part II of Schedule VI to the Companies Act, 1956 (Continued):

(iv) Purchases for resale

Class of Goods	Units of measurement	For the year ended 30 September 2010	For the year ended 30 September 2009
		Quantity	Value (Rs.)
Refer note (a) below			
1 Reagents and Chemicals	Number of Packs	412,843	603,746
2 Medical Diagnostic equipment	Number of instruments	137	67,064
3 Others		91,638	132,835
		762,448	1,021,449

(v) Raw and packing materials, bought out components and spares consumed during the year:

	For the year ended 30 September 2010	For the year ended 30 September 2009	
	Quantity	Value (Rs.)	
1 Reagents	Meters	470,513	16,637
2 Chemicals	Ltrs. }	18,479	25,044
	Kgs. }	652	13,839
3 Others		55,520	115,515

The value of raw and packing materials consumed has been arrived at by adding to the opening stocks, the purchases made during the year and deducting there from closing stocks.

(vi) Capacities and Production

Class of goods manufactured	Unit	For the year ended 30 September 2010	For the year ended 30 September 2009
		Annual installed capacity (refer note (c) below)	*Actual production
1 Chemical and immunochemical reagent packs	No.	1,403,000	456,622
2 Medical diagnostic equipment blood analyzer	No.	3,000	-
3 Medical diagnostic equipment serum analyzer	No.	150	-

(a) For paragraph 3(i) of Part II of Schedule VI to the Companies Act, 1956, the classes of goods dealt with by the Company are grouped under suitable product heads. In terms of note 3 to paragraph 3 of Part II of Schedule VI, disclosures by quantity are restricted to those items/articles which individually account for 10% or more of the total sales and services, purchases or closing stocks as applicable.

(b) For paragraph 4c, of Part II to Schedule VI to the Companies Act, 1956, the goods manufactured by the Company are grouped as per the classification of Industrial Licenses without giving the individual articles covered by each license.

(c) Installed capacities are as certified by the Management and have not been verified by the Auditors, as this is a technical matter.

* As certified by the Management

**Schedules to the financial statements
as at 30 September 2010
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	30 September 2010	30 September 2009
23 Related party transactions		
23.1 Parties where control exists		
Siemens AG, Germany	Ultimate holding company	
Siemens Diagnostics Holding II B.V., Netherlands	Holding company (holds 68.73% of the Equity shares of the Company as at year end)	
23.2 Other related parties where transactions have taken place during the year		
Fellow Subsidiaries		
Siemens Healthcare Diagnostics Manufacturing Ltd., George Town, Cayman Islands		
Siemens Healthcare Diagnostics Manufacturing Ltd., Sudbury, U.K.		
Siemens Healthcare Diagnostics Products Ltd., Llanberis, U.K.		
Siemens Medical Solutions Diagnostics Europe Limited		
Siemens Healthcare Diagnostics Products GmbH, Marburg, Germany		
Siemens Healthcare Diagnostics S.A., Belgium		
Siemens Healthcare Diagnostics Ltd., Hongkong		
Siemens Healthcare Diagnostics Pte Ltd., Singapore		
Siemens Pte Ltd, Singapore		
Siemens Ltd, Bayswater, Australia		
Dade Behring Diagnostics AG, Duedingen, Switzerland		
Siemens Information System Limited, India		
Siemens Corporate Finance Private Limited, India		
Siemens Healthcare Diagnostics, Shanghai, China		
Siemens Healthcare Manufacturing Ltd., Ireland		
Key Managerial Personnel		
P Siva Kumar (till 30.11.2009)	Managing Director	
Anil Shankar	Whole-time Director and CFO	
23.2 Related party transactions (Continued)		
Purchase of goods		
Fellow subsidiaries		
Siemens Healthcare Diagnostics Manufacturing Ltd., Sudbury, U.K.	12,169	43,717
Siemens Healthcare Diagnostics Products Ltd., Llanberis, U.K.	76,193	45,484
Siemens Healthcare Diagnostics Inc, USA	425,244	763,095
Siemens Healthcare Diagnostics Manufacturing Ltd., George Town, Cayman Islands	76,153	221,764
Siemens Healthcare Diagnostics Manufacturing Ltd., Ireland	-	76,813
Siemens Medical Solutions Diagnostics Europe Limited	80,229	-
Siemens Healthcare Diagnostics S.A., Belgium	71,921	20,257
Other fellow subsidiary	18,831	27,261
23.4 Sale of goods		
Fellow subsidiaries		
Siemens Limited, India	2,848	-
Siemens Healthcare Diagnostics Ltd., Hongkong	13,704	164
Siemens Healthcare Diagnostics S.A., Belgium	1,137	-
Siemens Healthcare Diagnostics, Singapore	864	-
Siemens Healthcare Diagnostics Inc, USA	(291)	13,631
Siemens Healthcare Diagnostics, Shanghai, China	339	-
Dade Behring Diagnostics AG, Dubai	-	4,535
Dade Behring Diagnostics AG, Duedingen, Switzerland	-	6,462
Siemens Informations System Limited, India	-	126

**Schedules to the financial statements
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	30 September 2010	30 September 2009
23.5 Inter-corporate Deposits taken/renewed		
Fellow subsidiaries		
Siemens Limited, India	400,000	400,000
23.6 Interest payment on Inter-corporate Deposits		
Fellow subsidiaries		
Siemens Limited, India	24,698	8,679
23.7 Service charges paid		
Ultimate holding company	5,498	16,564
Siemens AG, Germany	-	-
Fellow subsidiaries		
Siemens Information System Limited, India	445	3,508
Siemens Limited, India	12,289	6,403
Siemens Pte Ltd, Singapore	6,750	2,392
Siemens Corporate Finance Private Limited, India	-	2,198
Siemens Healthcare Diagnostics Products GmbH, Marburg, Germany	4,176	-
Siemens Pte Ltd, Singapore	1,965	3,800
Siemens Healthcare Diagnostics Pte Ltd., Singapore	8,197	9,225
Other fellow subsidiary	1,099	453
23.8 Reimbursement of Expenses		
Fellow subsidiaries		
Siemens Healthcare Diagnostics Pte Ltd., Singapore	899	-
23.9 Dividend paid		
Holding company	10,772	1,077
Siemens Diagnostics Holding II B.V., Netherlands	-	-
23.10 Rent expenses		
Fellow subsidiaries		
Siemens Limited, India	1,184	145
23.11 Remuneration to key managerial personnel		
Dr. P Siva Kumar	2,837	6,444
Anil Shankar	8,095	4,681
23.12 Outstanding as at year end		
Debtors		
Fellow subsidiaries		
Siemens Limited, India	2,448	164
Siemens Healthcare Diagnostics Ltd., Hongkong	6,075	13,631
Siemens Healthcare Diagnostics Inc, U.S.A.	817	6,462
Dade Behring Diagnostics AG, Duedingen, Switzerland	-	4,535
Dade Behring Diagnostics AG, Dubai	4,535	126
Other fellow subsidiaries	1,205	-
Creditors		
Ultimate holding company	20,884	11,301
Siemens AG, Germany	-	-
Fellow subsidiaries		
Siemens Healthcare Diagnostics Inc, USA	237,120	478,065
Siemens Healthcare Diagnostics Manufacturing Ltd., George Town, Cayman Islands	96,536	199,507
Siemens Healthcare Diagnostics S.A., Belgium	38,113	-
Siemens Healthcare Diagnostics Products Ltd., Llanberis, U.K.	30,006	-
Siemens Healthcare Diagnostics Manufacturing Ltd., Sudbury, U.K.	-	38,109

**Schedules to the financial statements
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	30 September 2010	30 September 2009
Fellow subsidiaries (Continue)		
Siemens Healthcare Diagnostics Manufacturing Ltd., Ireland	-	25,256
Siemens Pte Ltd, Singapore	23,180	-
Siemens Limited, India	1,159	5,735
Siemens Information Processing System Private Limited, India	4,954	2,153
Siemens Corporate Finance Private Limited, India	-	2,198
Siemens Informations System Limited, India	2,150	2,552
Other fellow subsidiary	9,587	62,620
Inter-corporate Deposits Payable		
Fellow subsidiaries		
Siemens Limited, India	400,000	400,000
Segment Reporting		

24 The Company is in the business of manufacturing, trading and dealing in various diagnostic products, which have similar risk and returns and also similar market conditions of demand and supply. The segment reporting based on geographical risk factor which may be present in different countries is also not applicable, as the Company has substantial sales in the domestic market. Thus, there is only one identified reportable segment that is Diagnostics.

25 Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits' Defined benefit plan and long term employment benefit

a General description

Gratuity/Defined Benefit Plan
The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Leave wages (Long term employment benefit)

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

The following tables summarises the components of net benefit expenses recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plan.

	For the year ended	
	30 September 2010	30 September 2009
b Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	9,481	6,702
Interest cost	788	498
Current service cost	1,202	1,249
Benefits paid	(2,806)	(3,452)
Actuarial (gain) / losses on obligation	2,523	4,484
Closing defined benefit obligation	11,158	9,481
Present value of defined benefit obligation		
For the year ended September 30, 2008	6,702	
For the year ended September 30, 2007	21,877	
c Change in the fair value of plan assets		
Opening fair value of plan assets	18,090	16,172
Expected return on plan assets	1,447	1,445
Contributions by employer	3,996	3,617
Benefits paid	(2,806)	(3,452)
Actuarial gain / (losses)	1,176	308
Closing fair value of plan assets	22,453	18,090
Total actuarial gain / (loss) to be recognised	(4,797)	(4,176)
The Company expects to contribute		
Rs. 4,000,000 to gratuity in 2010-11.		

**Schedules to the financial statements
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	For the year ended 30 September 2010 Gratuity	For the year ended 30 September 2009 Gratuity
b Change in the present value of the defined benefit obligation (Continue)		
Fair value of plan assets		
For the year ended September 30, 2008	16,172	
For the year ended September 30, 2007	22,771	
Actual return on plan assets	1,447	1,445
Expected return on plan assets	1,726	308
Actuarial gain / (loss) on plan assets	3,173	1,753
Actual return on plan assets		
e Amount recognised in the balance sheet		
Liability at the end of the year	11,158	9,481
Fair Value of Plan Assets at the end of the year	22,453	18,090
Difference	11,295	8,609
Unrecognised Past Service Cost	10,695	13,473
Provided on actual basis (refer note given in schedule 12)	-	-
Amount Recognised in the Balance Sheet in Advances recoverable in cash or in kind or for value to be received under loan and advance schedule / in Gratuity under provision schedule	600	(4,864)
f Expenses recognised in the income statement under Personnel expenses		
Current service cost	1,202	1,249
Interest cost on benefit obligation	758	498
Expected return on plan assets	(1,447)	(1,445)
Net actuarial (gain) / loss in the period	797	4,176
Net benefit expense	1,310	4,478
g Balance sheet reconciliation		
Opening net liability	(8,609)	(9,470)
Expenses as above	1,310	4,478
Employers' contribution	(3,996)	(3,617)
Amount recognised in the balance sheet	(11,295)	(8,609)
h Actuarial assumptions		
Discount rate	8.25%	8%
Rate of return on Plan Assets	8.00%	8%
Salary escalation	5.00%	5%
Employee Attrition Rate	2.00%	2%
i Experience Adjustment		
On Account of Change in Assumption		On Account of Change in Experience
On Plan Assets		
September 30, 2010	-	1,726
September 30, 2009	-	308
September 30, 2008	-	576
September 30, 2007	-	1,550
On Defined Benefit Obligation		
September 30, 2010	(608)	3,131
September 30, 2009	-	4,484
September 30, 2008	-	(6,438)
September 30, 2007	-	1,991
j Plan asset, for gratuity payable to employees, available with the Company is an Insurer managed fund by Life Insurance Corporation of India (100%)		

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k Long term employee benefits
The liability towards compensated absences for the year ended September 30, 2010, based on the actuarial valuation carried out using the projected unit credit method amounting to Rs. 5,682 thousands (2009: 3,130 thousands) has been recognised in the profit and loss account.

1 Other Note

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date.

26 The amount of excise duty disclosed as a deduction from turnover is the total excise duty for the period / year except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed as excise duty expense in the Schedule 15.

30 September, 2010 30 September, 2009

27 Earnings per share
Profit / (Loss) after tax **96,802** 53,076

Shares
Weighted average number of Equity shares outstanding at the year end **1,567,350** 1,567,350

Earnings per share
Basic and diluted **61.76** 33.86

28 Unhedge foreign currency exposure at year end

The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at year end are as follows:

As at September 30, 2010

Particulars

Particulars	Closing Rate	Amount in Foreign Currency ('000)	Amount (Rs.) ('000)
Creditors	1 USD = Rs.44.88	USD 8,492	381,139
	1 GBP = Rs.71.22	GBP 420	29,894
	1 EURO = Rs.61.25	EURO 675	41,320
	1 SGD = Rs. 34.14	SGD 78	2,649
	1 AUD = Rs. 43.53	AUD 9	391
Debtors	1 USD = Rs.44.88	USD 126	5,664
	1 EURO = Rs.61.25	EURO 25	1,533

As at September 30, 2009

Debtors	1 USD = Rs.47.81	USD 14,827	708,795
	1 GBP = Rs.76.98	GBP 523	40,294
	1 EURO = Rs.70	EURO 908	63,555
	1 SGD = Rs. 33.89	SGD 65	2,215
	1 USD = Rs.47.81	USD 519	24,792

29 Severance costs

During the year ended September 30, 2008, pursuant to the business acquisition of Dade Behring, the Company had decided to shift its business operations from Vadodara to New Delhi. Accordingly, the Senior Management of the Company had approved and communicated to employees a Scheme of Severance Pay (the Scheme) for the employees of the Company, including the method of calculating the severance pay, with effect from 24 July 2008. All the employees who have not been offered a position in the newly integrated organization in New Delhi or who do not wish to relocate themselves to New Delhi or such other place as required by the Company are entitled to severance pay under the Scheme. Accordingly, the Company had estimated Rs.31,720 thousands towards severance pay for 81 identified employees. As on September 30, 2010 unutilised carrying balance of Severance Pay is Rs. 23,639 thousands for remaining 35 employees out of 81 identified employees during previous year.

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30 The Company has received a letter dated October 11, 2006 from Town Planning Officer, Vadodara Urban Development Authority (VUDA) for compulsory acquisition of the Company's land admeasuring 16,995 Sq.Mt. out of total 60,703 Sq.Mt. The cost of the total land (60,703 Sq.Mt.) aggregates to Rs. 486,486. The Company has not received intimation from VUDA with regard to the compensation or development charges, if any, in lieu of the compulsory acquisition of land.

31 Operating lease

Office premises are obtained on operating lease. The lease term is for 3 years and renewable for further 3 years at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Charge to the profit & loss account Rs. 18,255 (2009 Rs. 18,536)

Rent payable for not more than 1 year Rs. 15,570 (2009 Rs. 14,116)

more than 1 year not later than 5 years Rs. 649 (2009 Rs. 15,125)

more than 5 years Rs. Nil (2009 Rs. Nil)

32 Details of dues to Micro and Small Enterprises as per MSMED Act, 2006

On the basis of the information and records available with the Management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro and Small Enterprises Development Act, 2006.

33 Deferred Income

Deferred Income refers to Service Contracts Revenue to be recognised over the period of the service contract.

34 The Board of Directors approved the amalgamation of Siemens Healthcare Diagnostics Ltd. (SHDL) with Siemens Ltd. on 30 November 2009. The amalgamation scheme was filed with the Honorable High Courts of Gujarat and Bombay and accordingly the Court convened meeting was held on 28 January 2010. In terms of the scheme, the appointed date is 1 October 2009 and the share swap ratio will be two equity shares of the face value of Rs. 2/- each fully paid up of Siemens Ltd. for one equity share of the face value of Rs. 10/- each fully paid up of SHDL. Pending approval of the aforesaid High Courts, no effect of the proposed amalgamation has been recognised in these financial statements.

35 Previous years comparatives

Previous period's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

For S.R.Batholi & Co.
Firm Registration Number : 301003E
Chartered Accountants

For and on behalf of the Board of Directors of Siemens Healthcare Diagnostics Limited

per **Ravi Bansal** Chairman **N. J. Jhaveri** Chairman **Etelme Szivo** Director **Anil Shankar** Director

Partner **Membership No. 49365** **Harresh Khilnani** Company Secretary **P. V. Nayak** Director **D. Raghavan** Director

Mumbai **November 29, 2010** **New Delhi** **November 29, 2010**

(Currency : Indian rupees thousands)

Balance sheet abstract and Company's general business profile

I. Registration Details		Registration No. <input type="text" value="2595"/>	State Code <input type="text" value="04"/>
Balance Sheet Date <input type="text" value="30/09/2010"/>			
II. Capital raised during the year (Amount in Rs thousands)			
Public Issue <input type="text" value="NIL"/>		Rights Issue <input type="text" value="NIL"/>	
Bonus Issue <input type="text" value="NIL"/>		Private Placement <input type="text" value="NIL"/>	
III. Position of mobilisation and deployment of funds (Amount in Rs thousands)			
Total Liabilities <input type="text" value="953,130"/>		Total Assets <input type="text" value="953,130"/>	
Sources of Funds			
Paid-up capital <input type="text" value="15,674"/>		Reserves and surplus <input type="text" value="537,456"/>	
Secured loans <input type="text" value="NIL"/>		Unsecured loans <input type="text" value="400,000"/>	
Application of Funds			
Net fixed assets <input type="text" value="633,446"/>		Investments <input type="text" value="0"/>	
Net current assets/(liabilities) <input type="text" value="204,363"/>		Miscellaneous expenditure <input type="text" value="NIL"/>	
Accumulated loss <input type="text" value="NIL"/>		Deferred tax assets <input type="text" value="115,321"/>	
IV. Performance of the Company (Amount in Rs thousands)			
Turnover (including other income) <input type="text" value="1,832,285"/>		Total Expenditure <input type="text" value="1,679,124"/>	
Profit before tax <input type="text" value="153,161"/>		Profit after tax <input type="text" value="96,802"/>	
Basic and diluted earning per share in Rs <input type="text" value="61.76"/>		Dividend Rate % <input type="text" value="175"/>	
V. Generic Names of Three Principal Products/Services of the Company (As per monetary terms)			
Item No. (ITC Code)	Product description	Item No. (ITC Code)	Product description
	Composite Diagnostic Reagent Strips		Composite Diagnostic Reagent Kits
	Composite Diagnostic Reagent Strips		Instruments For Chemical Analysis
	Composite Diagnostic Reagent Kits		

The earning per share disclosed above has been computed in accordance with the Accounting Standard - 20, Earnings per share, specified in the Companies (Accounting Standards) Rules 2006, issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS')

For and on behalf of the Board of Directors of
Siemens Healthcare Diagnostics Limited
 N. J. Jhaveri Chairman
 Etienne Szivo Director
 Anil Shankar Whole-time Director & CFO
 P. V. Nayak Director
 D. Bagavan Director
 Harsh Khilnani Company Secretary
 New Delhi
 November 29, 2010

PROXY FORM

Thirty Sixth Annual General Meeting
 January 27, 2011

SIEMENS

Siemens Healthcare Diagnostics Ltd.
 Regd. Office & Plant :
 589 Sayajipura, Alva Road,
 Vadodara - 390 019, Gujarat, India.
 Tel.: 0265-2562720
 Fax: 0265-2565102

Regd. Folio No. DP Client ID

I / We of in the district of being a member / members of the Company hereby appoint of or failing him / her in the district of being a member / members of the Company hereby appoint of or failing him / her in the district of thereof.

Signed this day of 2011. Signature.....
 Note: This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



----- Please tear here ----->

Attendance Slip
 Thirty Sixth Annual General Meeting - January 27, 2011

I certify that I am a member/proxy for the member of the Company. I hereby record my presence at the THIRTY SIXTH ANNUAL GENERAL MEETING of the Company at Chandarva Hall, Welcomhote Vadodara, R. C. Dutt Road, Vadodara 390001, Gujarat, at 11.30 a.m. on Thursday, January 27, 2011.

Name of the member/proxy Regd. Folio No. / DP Client ID Signature of the member / proxy
 (in BLOCK letters)

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting.

