



ANNUAL REPORT

2004-2005

REQUEST TO MEMBERS

1. Members queries relating to the accounts may please be forwarded to the Company, so as to reach the Registered Office of the Company on or before 24th September, 2005.
 2. Since the cost of paper has increased considerably, it would not be possible to distribute copies of the Annual Report at the meeting. Members are, therefore, requested to bring with them the Annual Report being despatched to them.
 3. Members / their representatives are requested to bring with them the Attendance Slip duly filled in for attending the meeting.
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BOARD OF DIRECTORS

DR. ARJUN D. SEHGAL
Chairman

DR. GAUTAM SEHGAL
Managing Director

DR. (MRS.) VERSHA SEHGAL

MR. SURESH KUMAR BHAYANA

DR. VIVEK SEHGAL

MR. RAVI KOHLI

MR. ANIL MITHAL

MR. GIRISH SAREEN

MRS. RADHIKA SEHGAL

**VICE PRESIDENT - FINANCE &
COMPANY SECRETARY**

MR. N. L. GAYARI

BANKERS

Bank of India
East of Kailash
New Delhi-110 065

AUDITORS

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

REGISTERED OFFICE

B-22, KAILASH COLONY,
NEW DELHI 110048,
INDIA.
TEL: 011-26431481, 51633127
FAX: 011-26475300

CORPORATE OFFICE

114, SANT NAGAR,
EAST OF KAILASH,
NEW DELHI 110065.
TEL: 011-51620434, 51622193
FAX : 011-26448906

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held on Friday the 30th September, 2005 at 11:30 am at Sikand Hall, Delhi Tuberculosis Association, 9 Institutional Area, Lodhi Road, New Delhi 110003 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited statement of accounts for the year ended 31st March, 2005 together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Dr. Vivek Sehgal, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. S. K. Bhayana, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Girish Sareen, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of the Twentieth Annual General Meeting till conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modifications(s) the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 309 of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956, the amended Clause 49 of Listing Agreement effective from December, 2005 read with Article No. 123 of Articles of Association of the Company, Board of Directors be and are hereby authorised to decide the sitting fee payable to non executive Directors for attending Board Meetings and Committee Meetings thereof within the maximum limit as prescribed from time to time."

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

7. Approval of De-listing of the Equity Shares of the Company from The Stock Exchange Association Ltd., New Delhi

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

“Resolved that approval of the Company be and is hereby accorded to get de-listed the equity shares of the Company from The Stock Exchange Association Ltd., New Delhi in accordance with the Securities & Exchange Board of India (De-listing of Securities) Guidelines, 2003 as may be amended from time to time.”

“Resolved further that the equity shares of the Company shall remain listed with The Stock Exchange, Mumbai.”

“Resolved further that Dr. Gautam Sehgal, Managing Director and Shri N. L. Gayari, Company Secretary be and are hereby jointly and severally authorised and empowered to do or cause to be done all acts, things or deeds as may be required or incidental thereto to give effect to this resolution.”

Regd. Office:

B-22, Kailash Colony,
New Delhi - 110048.

By ORDER OF THE BOARD
For ADS DIAGNOSTIC LIMITED

N. L. GAYARI
Vice President - Finance &
Company Secretary

Dated: 20th June, 2005

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING**ANNEXURE TO NOTICE**

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

Item 6.

The amended Clause 49 of the Listing Agreement on Corporate Governance, which will come into force from December, 2005 stipulates that payment of fees / compensations to non executive directors shall be fixed by the Board of Directors subject to prior approval from the Shareholders.

Your Directors recommend the resolution for your approval.

Item 7

It is proposed to get the equity share of the Company de-listed from The Stock Exchange Association Ltd., New Delhi as there is hardly any trading at this Stock Exchange. Moreover, the proposal is also to have cost savings and to reduce administrative costs and efforts. The equity shares of the Company will continue to be listed at The Stock Exchange Ltd., Mumbai which has nation wide network of trading terminals. Proposal of de-listing the equity shares will be done in accordance and in adherence with the Securities & Exchange Board of India (De-listing of Securities) Guidelines, 2003, as may be amended from time to time, which currently requires the proposal for de-listing to be passed by a Special Resolution.

Your directors recommend the proposed resolution in the given Item No. 7 as a Special Resolution.

None of the Directors are interested in the proposed resolution.

Memorandum of Interest:

Dr. Arjun D. Sehgal, Dr. (Mrs.) Versha Sehgal, Dr. Gautam Sehgal and Mrs. Radhika Sehgal, Directors are interested in the proposed resolution in Item No. 2 for re-appointment of Dr. Vivek Sehgal, being related to him.

The Non Executive Directors are interested in the proposed resolution in Item No. 6 to the extent of sitting fee payable to them for attending the Meetings of the Board and the Committees thereof.

Inspection:

Memorandum and Articles of Association of the Company and any other documents, if any, is available for inspection by the members between 11 AM to 1 PM every working day and on the date of the AGM at the Corporate Office of the Company.

Regd. Office:

3-22, Kailash Colony,
New Delhi - 110048.

By ORDER OF THE BOARD
For ADS DIAGNOSTIC LIMITED

N. L. GAYARI
Vice President - Finance &
Company Secretary

Dated: 20th June, 2005

ADS
diagnostic
ltd.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTES

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A blank proxy form is enclosed.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 26th September, 2005 to 30th September, 2005 (both days inclusive).
3. Members are requested to intimate the change of address, if any.

Regd. Office:

B-22, Kailash Colony,
New Delhi - 110048.

By ORDER OF THE BOARD
For ADS DIAGNOSTIC LIMITED

N. L. GAYARI
Vice President - Finance &
Company Secretary

Dated: 20th June, 2005

DIRECTORS' REPORT**TO THE MEMBERS:**

Your directors have pleasure in presenting the Twentieth Annual Report together with the audited accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS	2004-2005 (Rs.)	2003-2004 (Rs.)
Operating Income	2,48,43,977.72	2,47,32,518.02
Profit before Interest & Depreciation	43,80,884.98	48,56,147.06
Less: a) Interest	20,78,564.00	23,01,673.00
b) Depreciation	44,77,877.73	51,54,054.74
Net Profit / (Loss) before Taxation	(21,75,556.75)	(25,99,580.68)
Provision for Income Tax	0.00	0.00
Provision for Deferred Tax	(8,30,270.00)	(9,05,841.00)
Net Profit / (Loss) after Taxation	(13,45,286.75)	(16,93,739.68)
Add: Balance of Profit Brought Forward from Previous Years	12,34,487.58	39,34,236.26
Less: Transfer to General Reserve	8,87,205.12	10,00,000.00
Add : Excess / (Short) Provision for Income Tax for Previous Years	0.00	(6,009.00)
Balance carried to Balance Sheet	(9,98,004.29)	12,34,487.58

OPERATIONS:

The operational income of the Company has marginally increased from Rs. 247.33 lacs to Rs. 248.44 lacs in the current year. However, income from scanning business has decreased from Rs. 222.67 lacs to Rs.174.34 lacs during the year under review. The income from trading and servicing has been increased from Rs. 17.40 lacs to Rs. 61.51 lacs and Rs. 1.17 lacs to Rs. 7.24 lacs respectively. Overall income increased by Rs. 1.11 lacs. The decrease in scanning income is due to stiff competition from the existing and new diagnostic centers which are coming up every year in and around Delhi. Loss after depreciation has decreased from Rs. 26.00 lacs to Rs. 21.76 lacs during the year under review.

DIVERSIFICATION OF BUSINESS:

The Company has sold 7 cameras in the year under review and earned a revenue of Rs. 45.61 lacs. Company has also earned a revenue of Rs. 2.77 lacs from sale of films and Rs. 13.13 lacs from sale of spare parts during the year under review. The servicing and installation income has also gone up from Rs. 1.17 lacs to Rs. 7.24 lacs in the year under review. The management thrust is on trading, installation and servicing of medical equipments since the diagnostic business is full of competition and income from the same will reduce gradually.

Your directors are hopeful that by diversifying into the field of sale of medical equipments, spare parts, disposable products and servicing of medical equipments, your Company would be able to make a turn around.

DIVIDEND:

The Company has incurred a loss of Rs. 21.76 lacs during the year under review, and therefore, the Board expresses their inability to recommend any dividend for the year 2004-2005.

LISTING:

Shares of your Company are listed on The Delhi Stock Exchange Association Limited and The Stock Exchange, Mumbai. The listing fee in respect of both the Stock Exchanges has been paid for the year 2005-2006 in the month of May, 2005.

The Board vide its Resolution dated 20th June, 2005, keeping in view, infrequent trading / rare trading of shares, cost saving, reduction in administrative costs and efforts, has decided to get the equity shares of the Company de-listed from The Stock Exchange Association Ltd., New Delhi in accordance with the Securities & Exchange Board of India (De-listing of Securities) Guidelines, 2003. The approval of the same is being sought from the Shareholders by way of a special resolution in the forthcoming Annual General Meeting.

SHAREHOLDERS BENEFIT SCHEME:

In order to continue the benefit to the Shareholders, the Company has decided to extend the facility, of free MRI, Colour Doppler, Echo Cardio, X-ray and ECG except the cost of Medicines, Films etc used in the tests. The relatives and friends of the Shareholders will be entitled to 25% concession on scanning charges of all tests/procedures, except the cost of material, films/professional charges and medicines etc. this scheme is valid till 30th September, 2006 and the concessional coupons are attached herewith.

DIRECTORS:

Dr. Vivek Sehgal, Mr. S. K. Bhayana and Mr. Girish Sareen, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

The Board recommends to the shareholders for re-appointments of the above mentioned Directors.

DIRECTORS' REPORT

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

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

- i) That in the preparation of the accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed along with proper explanation related to material departures;
- ii) That the Directors have selected sound accounting policies and applied them consistently and made adjustments and estimates that were reasonable and prudent so as to give a fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2005 on a 'going concern' basis.

AUDITORS' REPORT AND RE-APPOINTMENT OF AUDITORS

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

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

EMPLOYEES PARTICULARS

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

FIXED DEPOSITS

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