



# ANNUAL REPORT

2005-2006

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## **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 23<sup>rd</sup> September, 2006.
  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 (passed on 22-05-2006)

**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: 011-29230481, 41633127

FAX: 011-29245300

**CORPORATE OFFICE**

114, SANT NAGAR,

EAST OF KAILASH,

NEW DELHI 110065.

TEL: 011-41620434, 41622193

FAX : 011-26448906

**NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty first Annual General Meeting of the Company will be held on Friday the 29<sup>th</sup> September, 2006 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 31<sup>st</sup> March, 2006 together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Ravi Kohli who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Anil Mithal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mrs. Radhika Sehgal who retires by rotation and being eligible offers herself for reappointment.
5. To appoint Auditors to hold office from the conclusion of the Twenty first 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 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956, including any statutory modifications or re-enactment thereof, for the time being in force, and subject to the approval of the Shareholders, Dr. Gautam Sehgal be and is hereby reappointed as Managing Director of the Company to hold the said office for a period of one year commencing from June 1, 2006 on the following terms and conditions.

Remuneration: Salary Re. 1/- per month

Perquisites: No perquisites



## NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING

“RESOLVED further that the Board of Directors be and are hereby authorised to make or accept any variations in the above said terms of appointment, as may be permissible under the Companies Act, 1956 from time to time.

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: 30th June, 2006



**NOTICE OF TWENTY FIRST ANNUAL GENERAL MEETING**
**ANNEXURE TO NOTICE**
**Item 6.**

The Board of Directors of the Company, by a resolution dated 27<sup>th</sup> May, 2006, reappointed Dr. Gautam Sehgal as Managing Director of the Company for a period of one year commencing from June 1, 2006 on the following terms and conditions.

**Remuneration**

1. Salary : Re. 1/- (One) per month.
11. Perquisites : No perquisites.

Keeping the interest of the Company and to cut down the expenses and improve the overall performance, Dr. Gautam Sehgal has accepted a token remuneration.

No Director of the Company is in any way deemed to be concerned or interested in the aforesaid resolution except Dr. Gautam Sehgal and Mrs. Radhika Sehgal, Dr. (Mrs.) Versha Sehgal and Dr. Vivek Sehgal being relatives of Dr. Gautam Sehgal.

This explanatory statement may be treated as an abstract under section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

**Memorandum of Interest:**

The Non Executive Directors are interested in the proposed resolution in Item No. 2 to 4 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, except on the date of the AGM, at the Corporate Office of the Company.

Regd. Office:  
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 New Delhi - 110048.

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

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

Dated: 30th June, 2006

**NOTICE OF TWENTY FIRST 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 25<sup>th</sup> September, 2006 to 29<sup>th</sup> September, 2006 (both days inclusive).
3. Members are requested to intimate the change of address, if any.



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: 30th June, 2006

**DIRECTORS' REPORT**
**TO THE MEMBERS:**

Your Directors have pleasure in presenting the Twenty First Annual Report together with the audited accounts for the year ended 31<sup>st</sup> March, 2006.

<b>FINANCIAL RESULTS</b>	<b>2005-2006 (Rs.)</b>	<b>2004-2005 (Rs.)</b>
Operating Income	2,71,69,355.38	2,48,43,977.72
Profit before Interest & Depreciation	47,42,962.11	43,80,884.98
Less: a) Interest	16,09,433.81	20,78,564.00
b) Depreciation	45,66,009.18	44,77,877.73
Net Profit / (Loss) before Taxation	(14,32,480.88)	(21,75,556.75)
Provision for Income Tax	0.00	0.00
Fringe Benefit Tax	1,00,000.00	0.00
Provision for Deferred Tax	(13,43,847.00)	(8,30,270.00)
Net Profit / (Loss) after Taxation	(1,88,633.88)	(13,45,286.75)
Add : Balance of Profit Brought Forward from previous years	9,98,004.29	12,34,487.58
Less : Transfer to General Reserve	0.00	8,87,205.12
Add : Excess / (Short) Provision for Income Tax for Previous Years	0.00	0.00
Balance carried to Balance Sheet	(11,86,638.17)	(9,98,004.29)

**OPERATIONS:**

The operational income of the Company has increased from Rs. 248.44 lacs to Rs. 271.69 lacs in the current year registering a growth of 9.36% for the year under review. However, income from scanning business has decreased from Rs. 174.34 lacs to Rs. 165.02 lacs during the year under review. The income from trading and servicing has been increased from Rs. 61.51 lacs to Rs. 82.26 lacs and Rs. 7.24 lacs to Rs. 23.24 lacs respectively. Overall income increased by Rs. 23.25 lacs. The decrease in scanning income is due to stiff competition from the existing and new diagnostic centers that are coming up every year in and around Delhi. Loss after depreciation has decreased from Rs. 21.76 lacs to Rs. 14.32 lacs during the year under review.



**DIVERSIFICATION OF BUSINESS:**

The Company has sold 9 Digitizers during the year under review and has earned revenue of Rs. 46.45 lacs. Company has also earned revenue of Rs. 7.00 lacs from sale of Films and Rs. 4.14 lacs from sale of Medical Consumables and Rs. 24.67 lacs from sale of Bone Densitometer during the year under review. The servicing and installation income has also gone up from Rs. 7.24 lacs to Rs. 23.24 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 is and will be reducing gradually in the future.

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

**DIVIDEND:**

The Company has incurred a loss of Rs. 14.32 lacs during the year under review, and therefore, the Board expresses their inability to recommend any dividend for the year 2005-2006.

**LISTING:**

Shares of your Company are listed on Bombay Stock Exchange Limited, Mumbai and the listing fee has been paid for the year 2006-2007 in the month of April, 2006.

**DELISTING OF SHARES:**

The Shares of your Company have been delisted from The Delhi Stock Exchange Association Limited, Delhi with effect from 20<sup>th</sup> March, 2006.

**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 30<sup>th</sup> September, 2007 and the concessional coupons are attached herewith.

**DIRECTORS:**

Mr. Ravi Kohli, Mr. Anil Mithal and Mrs. Radhika Sehgal 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 (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 31<sup>st</sup> March, 2006, 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 31<sup>st</sup> March, 2006 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.