

MD	✓			PNC	✓
CS	✓			MY	NA
RO	✓				NA
TEA	NA				✓
ACL	✓	✓			✓
TE	✓	✓	✓		

ADS
diagnostic
Ltd

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ANNUAL REPORT

1997-98

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 20th September, 1998.
 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 the Attendance Slip duly filled in for attending the meeting.
-



BOARD OF DIRECTORS

DR. ARJUN D. SEHGAL
Chairman and Managing Director

DR. (MRS.) VERSHA SEHGAL,
Executive Director (Operations)

SH. O. P. VAISH

SH. DHANRAJ SONDHI

SH. S. K. BHAYANA

DR. TRIPTA DUTTA

DR. VIVEK SEHGAL

DR. GAUTAM SEHGAL

COMPANY SECRETARY CUM
FINANCE CONTROLLER

SH. N. L. GAYARI

BANKERS

Bank of India

AUDITORS

M/s. T.R. CHADHA & CO.
CHARTERED ACCOUNTANTS
B-30, CONNAUGHT PLACE
NEW DELHI-110001.

REGISTERED OFFICE:

B-22, KAILASH COLONY
NEW DELHI-110048
INDIA
TEL. : 6443053 FAX : 6475300.

ADMN. OFFICE

B-29, KAILASH COLONY
NEW DELHI-110048
INDIA.



NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Saturday, the 26th September, 1998 at 11.00 A.M. at Delton Hall, The Institution of Electronics and Telecommunication Engineers, 2 Institutional Area, Lodi Road, New Delhi - 110 003 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statement of accounts for the year ended 31st March, 1998 together, with Directors and Auditor's Report thereon.
2. To appoint a Director in place of Sh. S. K. Bhayana who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. Tripta Dutta who retires by rotation and being eligible offers herself for reappointment.
4. To appoint Auditors to hold office from the conclusion of the Thirteenth Annual General Meeting till conclusion of the next annual general meeting and to fix their remuneration.

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 Member and Share Transfer Books of the Company shall remain closed from 15th September to 26th September, 1998 (both days inclusive).
3. Members are requested to intimate the change of address, if any.
4. Unpaid dividends for the Financial year 1993-94 amounting to Rs.1,06,700.56/- has been transferred to the General Revenue Account of the Central Government and concerned members are individually intimated alongwith the notice. Members who want to claim their unpaid dividends are requested to make an application to the Registrar of Companies, NCT of Delhi & Haryana in form 2 prescribed under relevant rules.

Regd. Office :
B-22, Kailash Colony
New Delhi - 110 048

By ORDER OF THE BOARD
For ADS DIAGNOSTIC LIMITED

N. L. GAYARI
Company Secretary cum
Finance Controller

Dated : 15th June, 1998



DIRECTOR'S REPORT

TO THE MEMBERS

Your directors have pleasure in presenting the Thirteenth Annual Report together with audited accounts for the year ended 31st March, 1998.

FINANCIAL RESULTS

	1997-98	1996-97
Operating Income	2,35,62,542	1,69,86,356
Profit before interest and depreciation	57,49,087	77,10,709
Less : a) Interest	5,62,221	1,10,122
b) Depreciation	87,70,980	20,72,403
Net Profit before taxation	14,10,365	55,28,184
Provision for Taxes	1,50,000	20,50,000
Net Profit after taxation	12,60,365	34,78,181
Add : balance of profit/ (loss) brought forward from previous years.	1,05,91,540	71,12,336
Amount available for appropriation	1,18,51,906	1,05,91,540
Less Income Tax for earlier year	2,55,080	—
Balance carried to balance sheet.	1,15,96,826	1,05,91,540
	1,15,96,826	1,05,91,540
	=====	=====

OPERATIONS

Your company has performed well during the year ended 31st March, 1998. The overall income of your Company touched Rs.236 lakhs as compared to Rs.170 lakhs for the previous year thus registering an increase of Rs.66 lakhs during the year. However the net profit before the taxation has decreased to Rs.14.10 lakhs as against Rs.55.28 lakhs in the previous year registering a decrease of Rs.41.18 lakhs. This is mainly because of increase in interest cost, depreciation and other operative expenses. Your directors are pleased to inform you that a state of the art technology CT costing Rs.178 Lakhs has been commissioned in last week of september 1997. The Company has also Established a letter of credit for import of CT Scanner for Mathura CT Scan Centre. The total cost of the project is Rs 70 Lakhs. The Company has also purchased a New Color Doppler on lease finance basis. In view of the above substantial fund requirements your Directors, therefore do not recommend dividend for this year.



DIRECTOR'S REPORT

INCOME TAX SEARCH

As reported in the last report of Directors an Income tax search was carried out by the Income-tax department at the premises of company and seized certain record alongwith cash amounting to Rs.80,000/- for their Investigation. However no show cause/demand has been raised by the Income Tax Department so far.

SHAREHOLDERS BENEFIT SCHEME

In order to continue the benefit to Shareholders the company has decided to extend the facility of free MRI, Color Dopplar, Echo Cardeo, X-Ray and ECG except cost of Medicines, films etc. used in the tests. The relatives and friends of Shareholders will be entitled to 25% concession on scanning charges of all tests except cost of material, films/professional charges and medicines etc. This scheme is valid till 30th September, 1999 and the concessional coupons are attached herewith.

DIRECTORS

Sh. S.K. Bhayana and Dr. Tripta Dutta directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

AUDITOR'S REPORT AND REAPPOINTMENT

The Auditors M/s. T.R.Chadha and Co. Chartered Accountants, New Delhi hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment.

Certificate from the Auditors has been received to the effect that their re-apppointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. The observations of Auditors and Notes on accounts are self-explanatory.

FIXED DEPOSITS

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

OTHER INFORMATION

The provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 do not apply as none of the employees of the Company was paid salary exceeding Rs.25,000/- per month if employed for part of the year or Rs. 3,00,000/- per annum if employed throughout the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNING AND OUTGO

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



DIRECTOR'S REPORT

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

DR. (Mrs.) VERSHA SEHGAL
Executive Director

Place : New Delhi
Dated : 15-06-98

DR. GAUTAM SEHGAL
Director

ANNEXURE TO DIRECTOR'S REPORT

I. CONSERVATION OF ENERGY

	Year ended 31.03.1998	Year ended 31.03.1997
Power and fuel consumption		
1. Electricity		
(a) Purchased Unit	1,27,124	1,24,105
Total amount (Rs.)	6,83,225	4,07,478
Rate/Unit Delhi (Rs.)	5.75	3.38
Faridabad	4.00	3.00
(b) Own generation		
Through diesel generator Unit	5,747	2,982
Units per litre of diesel oil	2.00	2.30
Cost/Unit (Rs.)	5.00	3.00

II. TECHNOLOGY ABSORPTION

The Company is in medical diagnostic service and do not have any Research & Development Department. During the year no technology was imported.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO.

	(Rs.)	(Rs.)
Foreign Exchange Earnings (Exports On FOB basis)	NIL	NIL
Foreign Exchange Outgo (Import of Capital goods on CIF basis).	1,20,21,545	NIL
Import of Spare Parts.	4,60,645	
Travelling Expenses	1,83,840	



AUDITOR'S REPORT

TO THE MEMBERS OF A.D.S. DIAGNOSTIC LIMITED

We have audited the attached Balance Sheet of A.D.S. Diagnostics Ltd. as at 31st March, 1998 and also the Profit and Loss Account of the Company for the year ended on that date and report that :-

1. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956, and in terms of information and explanations given to us and on the basis of such checks as we considered appropriate, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph (1) above :-
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account except non provision for unavailed leave encashment as required under section 209 of companies Act, 1956 (refer significant Accounting policy No.7) as required by law have been kept by the Company so far as appears from our examination of such books;
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with books of account;
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts subject to ;
 - (i) Note 1 Regarding non provision of liability in respect of redemption fine/penalty imposed by the Commissioner of Customs II, New Delhi.
 - (ii) Note 3 Dispute regarding imposition of Custom Duty on import of certain Medical Equipments.
 - (iii) Note 6 Regarding debit and credit balances, which are subject to confirmations.
 - (iv) Non-provision of leave encashment, amount not ascertainable.

Read with the significant Accounting policies and notes forming part of the account thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :-

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998; and
- (ii) In the case of Profit and Loss Account, of the Profit for the year ended on that date.

For **T. R. CHADHA & CO**
Chartered Accountants

SURENDER KUMAR
Partner

Place : New Delhi
Date : 15-06-1998

Re : A. D. S Diagnostic Limited, New Delhi

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

1. The Company has been maintaining records showing full particulars including quantitative details of its Fixed Assets. However these remained to be updated. All the assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. We have been informed that the stocks of X-ray films, Medicines and Developing Materials are being physically verified by the Management at reasonable intervals and no material discrepancies were observed on such physical verification.
4. According to the information and explanations given to us the procedure followed by the management for physical verification of stocks was reasonable and adequate in relation to the size of the Company and the nature of its business.
5. In our opinion, the discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the company.
6. On the basis of our examination of the Company's records, we are of the opinion that the valuation of stock is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. The Company has not taken any loan from the Companies, firms and/or other parties required to be listed in the register maintained under Section 301, and from Companies under the same management vide Sec.370(1-B) of the Companies Act, 1956, except from the Directors of the company which in our opinion are not prima facie prejudicial to the interest of the company.
8. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties required to be listed in the registers maintained under Section 301, and to the Companies under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.
9. The Company has given loans/advances in the nature of loans to some of its employees who are repaying the principal amount as stipulated and are also regular in payment of interest where applicable.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of raw materials including components, plant and machinery, equipments and other assets and for the sale of goods. However, internal control procedures with regard to the receipt and issue of material comprising films, medicines etc., need to be strengthened.
11. The Company has not purchased and/or sold, during the year any stocks, raw materials and components exceeding Rs. 50,000 in value for each type thereof, from/to firms, companies or other parties in which Directors are interested.