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ANNUAL REPORT

2000-2001.

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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 21st September, 2001.
  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.
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**BOARD OF DIRECTORS**

**DR. ARJUN D. SEHGAL**  
Chairman

**DR. GAUTAM SEHGAL**  
Managing Director

**DR. (MRS.) VERSHA SEHGAL**

**SH. O. P. VAISH**

**SH. DHANRAJ SONDHI**

**SH. S. K. BHAYANA**

**DR. TRIPTA DUTTA**

**DR. VIVEK SEHGAL**

**COMPANY SECRETARY CUM  
FINANCE CONTROLLER**

**SH. N. L. GAYARI**

**BANKERS**

Bank of India

**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. : 6443053 FAX : 6475300.**

**ADMN. OFFICE**

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



## NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Friday, the 28th September, 2001 at 11.00 A.M. at Sikand Hall, Delhi Tuberculosis Association, 9, Institutional Area, Lodhi 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, 2001 together with Director's and Auditor's Report thereon.
2. To appoint a Director in place of Mr. 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 Sixteenth Annual General Meeting till conclusion of the next annual general meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a special resolution :

#### Amendment to Articles of Association

"Resolved that pursuant to Sections 31, 109A and 109B and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended by inserting the following Heading and Article No. 29A immediately after existing Article No. 29;

#### 29A Nomination of Shares

- i) Every holder / joint holder of shares in or Debentures of the Company may at any time, nominate, in accordance with the provisions of and in the manner provided by Section 109A of the Companies Act, 1956 and any amendments thereof from time to time, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of the holder / all the joint holders,
- ii) Subject to the provisions of Section 109A of the Act and Clause (i) above, any person who becomes a nominee by virtue of the provisions of the Act, upon the production of such evidence as may be required by the Board or any committee thereof, elect either to be registered himself as holder of the shares or debentures as the case may be, as the deceased shareholder or debenture holder as the case may be, could have made, in accordance with the provisions of and in the manner prescribed by Section 109B of the Companies Act, 1956 and any amendments thereto from time to time,

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered to himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with,

A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder / joint holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of it to exercise any right conferred by membership in relation to meetings of the Company".

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 : May 28, 2001



## NOTICE OF SIXTEENTH 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 Member and Share Transfer Books of the Company shall remain closed from 18th September to 28th September, 2001 (both days inclusive).
3. Members are requested to intimate the change of address, if any.
4. Re-appointment of Directors

Mr. S. K. Bhayana and Dr. Tripta Dutta Directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The information to be provided under corporate governance code for the aforesaid Directors are as under.

Mr. Suresh Kumar Bhayana is one of the founder Directors of the company. He is a Chairman of Bhayana Builders Pvt. Ltd. and also on Board of other companies. Mr. Bhayana is associated with company since last 15 years. He is having more than 40 years of experience in the field of industries and business.

Dr. Tripta Dutta is also one of the founder Directors of the company. She is having M.B.B.S., M.S., F.R.C.S., D.C.H. qualifications. She is associated with the company since last 15 years. Dr. Dutta is a Sr. Consultant of oldest hospitals of Delhi like Sir Ganga Ram Hospital and Moolchand Hospital. She is former Hon. Surgeon to the President of India. She is author of so many articles published in the leading medical journals.

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

By ORDER OF THE BOARD  
For ADS DIAGNOSTIC LIMITED

Dated : May 28, 2001

**N. L. GAYARI**  
Company Secretary Cum  
Finance Controller



## NOTICE OF SIXTEENTH ANNUAL GENERAL MEETING

### ANNEXURE TO NOTICE

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

Item 5. As per the Companies (Amendment) Act, 1996 a facility has been provided to the holders of shares or debentures to nominate any person to whom his shares or debentures shall vest in the event of his death, therefore, it is necessary to incorporate a specific Article (Article No. 29A) in the Articles of Association of the Company as specified in item No. 5 of the notice.

Your Directors, therefore, recommend this resolution for your company.

None of the Directors of the company is in any way concerned or interested in the proposed resolution.

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

By ORDER OF THE BOARD  
For ADS DIAGNOSTIC LIMITED

Dated : May 28, 2001

**N. I. GAYARI**  
Company Secretary Cum  
Finance Controller



## DIRECTOR'S REPORT

### TO THE MEMBERS

Your directors have pleasure in presenting the Sixteenth Annual Report together with audited accounts for the year ended 31st March, 2001.

### FINANCIAL RESULTS

	2000-2001	1999-2000
Operating Income	2,39,59,348.00	2,42,21,759.75
Profit before interest and depreciation	56,56,401.55	51,09,022.99
Less : a) Interest	15,09,589.38	12,77,974.36
b) Depreciation	40,59,320.00	37,83,303.91
Net Profit before taxation	87,492.17	47,744.72
Provision for Taxes	7,500.00	5,520.00
Net Profit after taxation	79,992.00	42,224.72
Add : Balance of profit / (loss) brought forward from previous years.	1,23,534,74.66	1,23,11,429.98
Amount available for appropriation	1,24,33,466.83	1,23,53,474.66
Balance carried to balance sheet.	1,24,33,466.83	1,23,53,474.66

### OPERATIONS

The overall performance of your company has been satisfactory for the year ended March 31, 2001. During the year under review the company has total operating income of Rs. 239.59 Lacs as against Rs. 242.22 Lacs achieved in the previous year. The profit before interest, depreciation and tax was at Rs. 56.56 Lacs as against Rs. 51.09 Lacs earned in the previous year. The decrease in the operating income was mainly due to stiff competition, old MRI and depressed diagnostic business and increase in other operative expenses. However, profit before interest and depreciation has increased by 11% while net profit increased by 89%.

The centre at General William Masonic Polyclinic started its operation in the 2nd week of December 2000. The gross receipt of the centre has reached to Rs. 2.50 Lacs per month.

### DIVIDEND

Your company undertook major expansion during the year ended 31st March 2001 wherein an investment to the tune of Rs. 95 Lacs was made for the revamping one the exciting centre's and for setting up of two new centre out of which one of centres become operative in the 2nd weeks of December, 2000.

On account of the above mentioned investments and the contingency on account of demands made by the custom and DRI to the tune of Rs. 96 Lacs, which as on date is pending settlement, your Directors find it prudent not to recommend any dividend for the year and instead plough back the profits made during the year to support the expansion project and to build over for the contingent liability.

As per the provisions of Section 205A of Companies Act, 1956 the amount lying in the unclaimed dividend account would be transferred to the "Investor Education and Protection Fund" as and when the said fund is established by the Central Government for this purpose.



## DIRECTOR'S REPORT

### LISTING

The Shares of your company are listed on The Delhi Stock Exchange Association Ltd. and The Stock Exchange, Mumbai. The Listing Fee in respect of both the Stock Exchanges has been paid for the year 2001-2002 in the month of May, 2001.

### SHAREHOLDERS BENEFIT SCHEME

In order to continue the benefit to Shareholders the company has decided to extend the facility of free MRI, Color Doppler, Echo Cardio, 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 test except cost of material, films/professional charge and medicines etc. This scheme is valid till 30th September, 2002 and the concessional coupons are attached herewith.

### DIRECTORS

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

Mr. O.P. Vaish has resigned w.e.f. 29.05.2001 from the directorship of the company. Board placed on record their appreciation for the services rendered by him during his tenure as director of the company.

### AUDITOR'S REPORT AND RE-APPOINTMENT OF AUDITOR

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.

Certificate from the Auditors has been received to the effect that their re-appointment, 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 under review.

### CORPORATE GOVERNANCE

The company is in process of setting up of four committees of Board of Directors in accordance with the clause 49 of the Listing Agreement namely "The Audit Committee", "The Remuneration Committee", "The Nominations Committee" and "The Investor's Grievance Committee" all the committees would be headed by an Independent Director.

### BOARD OF DIRECTORS

Composition of Board of Directors as on 31.03.2001:

Categories	Nos. of Directors	(%)
1. Promoters and Founder Directors / Managing Director	4	50%
2. Non Executive Independent Directors	4	50%



**DIRECTOR'S REPORT**
**Attendance of each director at the Board of Directors Meeting and Last AGM**

S. No.	Director	Nos. of Board Meeting held	Nos. of Board meeting Attended	Last AGM Attended Yes/No
1	Dr. Arjun D. Sehgal	6	6	Yes
2	Dr. (Mrs.) Versha Sehgal	6	6	Yes
3	Dr. Vivek Sehgal	6	Nil	No
4	Dr. Gautam Sehgal	6	6	Yes
5	Mr. O.P. Vaish	6	1	Yes
6	Dr. Tripta Dutta	6	4	Yes
7	Mr. S.K. Bhayana	6	2	No
8	Mr. D.R. Sondhi	6	5	No

During the financial year from 1.4.2000 to 31.3.2001 the meeting of the Board were held on 20.05.2000, 25.05.2000, 31.07.2000, 14.10.2000, 27.10.2000 and 23.01.2001.

**THE DIRECTOR'S RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES (AMENDMENT) ACT, 2000.**

The financial statements are prepared in accordance with the accounting standard issued by the Institute of Chartered Accountants of India and as required under the Companies Act, 1956 to the extent applicable to the Company on historical cost convention; as a going concern and on the accrual basis. There is no material departure from prescribed accounting standards. The accounting policies used in the preparation of the financial statements have been consistently applied, except where otherwise provided in the notes to the accounts.

The Board of Directors and management of the company accept responsibility for the integrity and objectivity of these financial statements. The judgement and estimate relating to the financial statement have been made on a prudent and reasonable basis, in effect that the financial statement reflect in a true and fair manner, the form and substance of transactions and reasonably present the company's state of affairs and profits for the year. In this direction the company is having adequate internal control and accounting records for safeguarding the assets and for preventing and detecting of frauds as well as other irregularities. There internal controls are reviewed, evaluated and updated on going concern basis. The internal auditors of the company have conducted periodical audits to provide reasonable assurance that the established policies and procedures of the company have been followed.

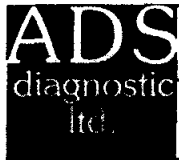
The financial statements has been audited by M/s. Khattar Khanna & Associates, Chartered Accountants, the independent auditors. The company is in process of setting up of the audit committee and the committee would be meeting periodically with the internal auditors to review the manner in which the auditors are performing responsibilities and to discuss the auditing internal control and financial reporting issues.

For and on behalf of the Board of Directors  
**ADS DIAGNOSTIC LTD.**

**DR. GAUTAM SEHGAL**  
 Managing Director

**DR. ARJUN D. SEHGAL**  
 Chairman

Place : New Delhi  
 Dated : May 28, 2001



## DIRECTOR'S REPORT

### AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE MANDATORY RECOMMENDATION OF KUMAR MANGLAM BIRLA COMMITTEE REPORT ON CORPORATE GOVERNANCE

To the Members of ADS Diagnostic Limited

We have examined the compliance of conditions of corporate governance by ADS Diagnostic Limited for the year ended on 31st March, 2001, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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.

For and behalf of  
**KHATTAR KHANNA & ASSOCIATES**  
 Chartered Accountants

Place : New Delhi  
 Date : May 28, 2001

**RAJIV KHANNA**  
 Partner

### 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 Rs. 1,00,000/- or more per month, if employed for part of the year or Rs. 12,00,000/- per annum, if employed throughout the year.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EARNINGS AND OUTGO

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