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ANNUAL REPORT

2001-2002

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, 2002.
 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 (UPTO 28.05.2001)

SH. DHANRAJ SONDHI

SH. S. K. BHAYANA

DR. TRIPTA DUTTA (UPTO 28.09.2001)

DR. VIVEK SEHGAL

MRS. RADHIKA SEHGAL
(ALTERNATE TO DR. VIVEK SEHGAL)

SH. RAVI KOHLI (W.E.F. 21.06.2002)

SH. ANIL MITHAL (W.E.F. 21.06.2002)

**VICE PRESIDENT - FINANCE &
COMPANY SECRETARY**

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 SEVENTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held on Wednesday, the 30th September, 2002 at 11.00 A.M. at Sikand Hall, Delhi Tuberculosis Association, 9 International 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, 2002 together with Director's and Auditors' Report 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 Dr. Gautam Sehgal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of the Seventeenth 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 modification(s) the following resolution as a ordinary resolution:

"Resolved that pursuant to the Provisions of Section 257 of the Companies Act, 1956, Mr. Ravi Kohli be and is hereby appointed Director of the Company, liable to retire by rotation."

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

"Resolved that pursuant to the Provisions of Section 257 of the Companies Act, 1956, Mr. Anil Mithal be and is hereby appointed Director of the Company, liable to retire by rotation."

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

By ORDER OF THE BOARD
For ADS DIAGNOSTIC LIMITED

Report Junction.com

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

Dated : June 21, 2002

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held on Monday, the 30th September, 2002 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, 2002 together with Director's and Auditors' Report 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 Dr. Gautam Sehgal who retires by rotation and being eligible offers himself for reappointment.
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By ORDER OF THE BOARD
For ADS DIAGNOSTIC LIMITED

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

Dated : June 21, 2002



NOTICE OF SEVENTEENTH 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 17th September to 30th September, 2002 (both days inclusive).
3. Members are requested to intimate the change of address, if any.
4. Re-appointment / Appointment of Directors

Dr. Vivek Sehgal and Dr. Gautam Sehgal, 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.

Dr. Vivek Sehgal, MBBS, MD (Radiology) is one of the Promoter Directors of the Company. He is associated with the Company since last 15 years. Dr. Vivek Sehgal is a Professor of Neuro Radiology at Wayne State University, USA. He is having more than 15 years of experience in the field of Medical Diagnostic Services. He is author of many articles published in the leading International Medical Journals.

Dr. Gautam Sehgal, MBBS is also one of the Promoter Directors of the Company. He has more than 15 years of experience in the medical and hospital services. He is also the promoter of two Private Limited Companies. Dr. Gautam Sehgal is the Managing Director of the Company since June, 2000.

Sh. Ravi Kohli is one of the leading builders and developers of real estate in Delhi. He is a graduate of Economics Hon. from Delhi University with an experience of almost 40 years in Civil Construction within India and abroad. Having started out as Managing Partner of a Company called Kohli Construction Company in 1963, he has executed a wide range of civil construction jobs such as Railway Bridges, Multistoried Buildings, Factories, Hospitals, Schools, Banks, etc. Presently he is also the Managing Director of Kohli Builders & Developers Private Limited.

Sh. Anil Mithal is the Chairman of Mithal International Private Limited. He is running one of the leading cargo movers which is having branches in all the major cities of India. He is having 15 years of experience in his field.

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By ORDER OF THE BOARD
For ADS DIAGNOSTIC LIMITED

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

Dated : June 21, 2002

NOTICE OF SEVENTEENTH ANNUAL GENERAL MEETING
ANNEXURE TO NOTICE

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

- Item 5. Mr. Ravi Kohli was appointed Additional Director of the Company by the Board of Directors in their meeting held on 21.06.2002. Mr. Kohli will hold office till the commencement of ensuing AGM. The Company has received notice from the share holder along with a deposit of Rs. 500 proposing Mr. Ravi Kohli for appointment as Director of the Company.

The Board, therefore, recommend this resolution for your approval.

None of the Directors of the company is in any way concerned or interested in the proposed resolution except Mr. Ravi Kohli..

- Item 6. Mr. Anil Mithal was appointed Additional Director of the Company by the Board of Directors in their meeting held on 21.06.2002. Mr. Mithal will hold office till the commencement of ensuing AGM. The Company has received notice from the share holder along with a deposit of Rs. 500/- proposing Mr. Anil Mithal for appointment as Director of the Company.

The Board therefore, recommended this resolution for your approval.

None of the Directors of the company is in any way concerned or interested in the proposed resolution except Mr. Anil Mithal.

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

By ORDER OF THE BOARD
 For ADS DIAGNOSTIC LIMITED

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

Dated : June 21, 2002

TO THE MEMBERS

Your directors have pleasure in presenting the Seventeenth Annual Report together with audited accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	<u>2001-2002</u>	<u>2000-2001</u>
Operating Income	2,47,00,705.25	2,39,59,348.00
Profit before interest and depreciation	60,83,069.52	56,56,401.55
Less : a) Interest	16,44,402.35	15,09,589.38
b) Depreciation	42,85,739.59	40,59,320.00
Net Profit before taxation	1,52,927.58	87,492.17
Provision for Income Tax	12,000.00	7,500.00
Provision for Deferred Tax	54,594.00	0.00
Net Profit after taxation	86,333.58	79,992.17
Add : Balance of profit / (loss) brought forward from previous years.	1,24,33,466.83	1,23,534,74.66
Less : Transfer to General Reserve	65,00,000.00	0.00
Amount available for appropriation	<u>60,19,800.41</u>	<u>1,24,33,466.83</u>
Balance carried to Balance Sheet.	<u>60,19,800.41</u>	<u>1,24,33,466.83</u>
	=====	=====

OPERATIONS

The overall performance of your company has been satisfactory for the year ended March 31, 2002. During the year under review the Company has a total operating income of Rs. 247.01 Lacs as against Rs. 239.59 Lacs achieved in the previous year. The profit before interest, depreciation and tax was at Rs. 60.83 Lacs as against Rs. 56.56 Lacs earned in the previous year. The marginal increase in operating income was mainly because of stiff competition, old MRI and depressed diagnostic business and increase in other operative expenses. However, profit before interest and depreciation has increased by 7.54 % while net profit increased by 7.93 %.

Performance of Faridabad CT Scan Centre and new Centre at General William Masonic Polyclinic were satisfactory during the year under review. The gross receipts of the centres has reached to Rs. 91.56 Lacs and Rs. 25.50 Lacs respectively.

The new MRI machine is expected to be commissioned in the last week of August, 2002. With the commissioning of this new machine, the gross revenue of the Company is expected to reach Rs. 280 lacs for the first full year working.

DIVIDEND

Your Company is in process of replacement of old MRI machine during the year 2002-2003, wherein an investment to the tune of Rs. 1.20 crore is involved. The Company has also undertaken major expansion work during the year 2001-02.

DIRECTOR'S REPORT

On account of above mentioned investments and contingency on account of disputed demand of Rs. 47 lacs of the Income Tax Department, Rs. 40 Lacs of the Customs Department and Rs. 56.02 Lacs of Directorate of Revenue Intelligence, which as on date are 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 liabilities.

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" on due date.

LISTING

The 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 2002-2003 in the month of May, 2002.

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 the 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, 2003 and the concessional coupons are attached herewith.

DIRECTORS

Dr. Vivek Sehgal and Dr. Gautam Sehgal, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

Dr. Tripta Dutta has resigned w.e.f. 30.09.2001 from the directorship of the Company. Board placed on record their appreciation for the services rendered by Dr. Tripta Dutta during her tenure as director of the company.

Mr. Ravi Kohli and Mr. Anil Mithal were appointed Additional Directors of the Company by the Board in their meeting held on 21.06.2002 and hold the office till the conclusion of the seventeenth Annual General Meeting. The notices under Section 257 of the Companies Act, 1956, has been received from the shareholder along with a deposit of Rs. 500/- each for proposing the appointment of Mr. Ravi Kohli and Mr. Anil Mithal Directors of the Company.

The Board recommends the shareholders for appointment of the above mentioned Directors.

AUDITORS' 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. They have furnished a certificate to the effect that their reappointment, if made, will be in accordance with Section 224 (1B) of the Companies Act, 1956.

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 setting up three committees of Board of Directors in accordance with Clause 49 of the Listing Agreement namely "The Audit Committee", "The Remuneration Committee" and "The Investor's Grievance Committee" at the Board Meeting to be held on 21.06.2002. All the committees would be headed by Independent Directors respectively.

BOARD OF DIRECTORS

Composition of Board of Directors as on 31.03.2002 :

Categories	Nos. of Directors	(%)
1. Promoters and Founder Directors / Managing Director	4	67%
2. Non Executive Independent Directors	2	33%

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	4	Yes
3	Dr. Vivek Sehgal	6	1	No
4	Dr. Gautam Sehgal	6	6	Yes
5	Mr. O.P. Vaish*	6	1	No
6	Dr. Tripta Dutta**	6	2	Yes
7	Mr. S.K. Bhayana	6	3	No
8	Mr. D.R. Sondhi	6	2	No
9	Mrs. Radhika Sehgal*** (alternate to Dr. Vivek Sehgal)	6	5	Yes

* Resigned from Directorship with effect from 29.05.2001.

** Resigned from Directorship with effect from 29.09.2001.

*** Appointed Alternate Director with effect from 31.07.2001

During the financial year from 01.04.2001 to 31.03.2002 the meeting of the Board were held on 28.05.2001, 31.07.2001, 29.10.2001, 17.11.2001, 18.01.2002 and 30.03.2002.

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