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# ANNUAL REPORT

2003-2004

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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 22nd September, 2004.
  2. Since the cost of paper has increased considerably, it would not be possible to distribute copies of the Annual Report at the Annual General 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**

**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.  
INDIA.  
TEL: 011-51620434, 51622194  
FAX : 011-26448906



## NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Tuesday the 28th September, 2004 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, 2004 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 Dr. Gautam Sehgal, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Anil Mithal, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of the Nineteenth 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 modification (s) the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of section 257 of the Companies Act, 1956, Mrs. Radhika Sehgal be and is hereby appointed Director of the Company, liable to retire by rotation"

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, 2004



## NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

### ANNEXURE TO NOTICE

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

Item 6.

Mrs. Radhika Sehgal was appointed Additional Director of the Company by the Board of Directors in their meeting held on 25th May, 2004. Mrs. Sehgal will hold the office till the commencement of the ensuing AGM. The Company has received notice from the shareholder along with a deposit of Rs. 500 proposing Mrs. Radhika Sehgal for appointment as Director of the Company.

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

None of the Directors of the Company is in any way concerned or interested in the proposed resolution except Dr. Arjun D. Sehgal, Dr. (Mrs.) Versha Sehgal, Dr. Vivek Sehgal and Dr. Gautam Sehgal being the relatives of Mrs. Radhika Sehgal

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By ORDER OF THE BOARD  
For ADS DIAGNOSTIC LIMITED

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

Dated : 30th June, 2004

### 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 20th September to 28th September, 2004 (both days inclusive).
3. Members are requested to intimate the change of address, if any.
4. An amount of Rs. 61,517/- was lying in the Unpaid Dividend Account pertaining to the year 1995-96 and the same has been transferred to "Investors Education & Protection Fund".

Regd. Office:  
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By ORDER OF THE BOARD  
For ADS DIAGNOSTIC LIMITED

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

Dated : 30th June, 2004

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

Your directors have pleasure in presenting the Nineteenth Annual Report together with the audited accounts for the year ended 31st March, 2004.

<b>FINANCIAL RESULTS</b>	<b><u>2003-2004</u></b>	<b><u>2002-2003</u></b>
Operating Income	2,47,32,518.02	2,10,91,987.40
Profit before Interest & Depreciation	48,56,147.06	32,41,625.24
Less : a) Interest	23,01,673.00	17,58,223.00
b) Depreciation	51,54,054.74	44,75,525.39
Net Profit / (Loss) before Taxation	(25,99,580.68)	(29,92,123.15)
Provision for Income Tax	0.00	0.00
Provision for Deferred Tax	(9,05,841.00)	(8,89,771.00)
Net Profit / (Loss) after Taxation	(16,93,739.68)	(21,02,352.15)
Add : Balance of Profit Brought Forward from previous years	39,34,236.26	60,19,800.41
Less : Transfer to General Reserve	10,00,000.00	0.00
Add : Excess / (Short) Provision for Income Tax for Previous Years	(6,009.00)	16,788.00
Balance carried to Balance Sheet	12,34,487.58	39,34,236.26

**OPERATIONS**

The operational income of the Company has increased from Rs. 210.92 lacs to Rs. 247.33 lacs in the current year. The increase in the operational income is mainly due to the full year operation of the new MRI machine. The loss after depreciation has decreased from Rs. 29.92 lacs to Rs. 25.99 lacs in the year under review.

**DIVERSIFICATION OF BUSINESS**

The Company has sold 2 cameras in the 3rd quarter of 2003 for Rs. 11.36 Lacs and also sold films of Rs. 6.00 Lacs. However in the 4th quarter, sale of camera did not take place as the sites of the customers were not ready. The Company has been able to sell 5 cameras in the first quarter of year 2004, valued at Rs. 28.60 lacs.

The Company has earned Rs. 1.17 lacs as charges for servicing of medical equipments during the year under review. The expected income from servicing of medical equipment for the coming year is Rs. 2.00 lacs and income from sale of spare parts will be around Rs. 2.00 lacs.

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

## **DIVIDEND**

The Company has incurred a loss of Rs. 25.99 Lacs during the year under review, and therefore, the Board expresses their inability to recommend any dividend for the year 2003-2004.

As per the provisions of Section 205A of the Companies Act, 1956, the amount lying in the unclaimed dividend account for the year 1995-96 was transferred to the "Investor Education and Protection Fund".

## **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 2004-2005 in the month of June, 2004.

## **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, 2005 and the concessional coupons are attached herewith.

## **DIRECTORS**

Mr. Ravi Kohli, Dr. Gautam Sehgal and Mr. Anil Mithal, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

Mrs. Radhika Sehgal was appointed Additional Director of the Company by the Board in their meeting held on 25th May, 2004 and will hold the office till the commencement of the Nineteenth Annual General Meeting. The notice under Section 257 of the Companies Act, 1956, has been received from the shareholder along with a deposit of Rs. 500/- for proposing the appointment of Mrs. Radhika Sehgal as a Director of the Company.

## 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 31st March, 2004, 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, 2004 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.

### FIXED DEPOSITS

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

### 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.

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place : New Delhi  
 Dated : 30th June, 2004

DR. ARJUN D. SEHGAL  
 Chairman



**ANNEXURE TO DIRECTOR'S REPORT****I. CONSERVATION OF ENERGY**

	Year ended 31.03.2004	Year ended 31.03.2003
<b>Power and Fuel Consumption</b>		
<b>(a) Electricity Purchased</b>		
Units Purchased	2,55,624	2,18,840
Total Amount (Rs.)	14,66,620	11,28,549
Rate/Unit Delhi (Rs.)	5.78	5.26
Rate/Unit Faridabad (Rs.)	5.00	5.00
<b>(b) Through Diesel Generator</b>		
Units Generated	10,206.00	30,277
Units/Litre of Diesel (Rs.)	2.00	2.01
Cost/Unit (Rs.)	9.75	9.50

**II. TECHNOLOGY ABSORPTION**

The Company is in Medical Diagnostic Services, Trading of Medical Equipments and their Servicing and Installation. During the year no technology was imported.

**III. FOREIGN EXCHANGE EARNINGS OUTGO**

	Year ended 31.03.2004 (Rs.)	Year ended 31.03.2003 (Rs.)
Import of Goods on CIF basis	28,27,324	-
Traveling Expenses	-	1,48,245

**REPORT ON CORPORATE GOVERNANCE****Company's Philosophy on Code of Governance**

The Company is a responsible citizen and endeavours to follow procedures and practices which will enhance shareholders value and try to give the best value to all shareholders.

**BOARD OF DIRECTORS**

Composition of Board of Directors as on 31st March, 2004:

<u>Categories</u>	<u>No. of Directors</u>	<u>%</u>
1. Promoters and Founder Directors / Managing Director	4	50%
2. Non Executive Independent Directors	4	50%

The abbreviated resume of Directors seeking reappointment / appointment are as under:

Mr. Ravi Kohli is one of the leading builder and developer in the real estate business in Delhi. He is a graduate in Economics from Delhi University with an experience of almost 42 years in Civil Construction in 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 and Developers Private Limited.

Dr. Gautam Sehgal, MBBS is one of the Promoter Directors of the Company. He has more than 18 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.

Mr. Anil Mithal is the Chairman of Mithal International Private Limited. He is running one of the leading cargo mover enterprises, which is having branches in all the major cities of India. He is having more than 17 years of experience in his field.

Mrs. Radhika Sehgal has done her B.A. (Hon.) from Delhi University. She is also on the board of two Private Limited Companies. She has more than 10 years of experience in the field of business. Earlier she was Alternate Director to Dr. Vivek Sehgal.