

ADS  
DIAGNOSTIC  
LTD.

ANNUAL REPORT

2012-2013

ADS

diagnostic  
ltd.



---

### REQUEST TO MEMBERS

1. Member's 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 17-08-2013.
  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 dispatched to them.
  3. Members / their representatives are requested to bring with them the Attendance Slip duly filled in for attending the meeting.
-

## COMPANY INFORMATION

### BOARD OF DIRECTORS:

**DR. GAUTAM SEHGAL**  
Managing Director

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

**DR. VIVEK SEHGAL**

**MR. RAVI KOHLI**

**MR. ANIL MITHAL**

**MR. GIRISH SAREEN**

**MRS. RADHIKA SEHGAL**

**MR. N.L.GAYARI**

**Vice President- Finance  
& Company Secretary**

### AUDITORS:

M/S R. NAGPAL ASSOCIATES  
B-8/14, BASANT VIHAR,  
NEW DELHI-110057

### BANKERS:

Bank of India  
D-142, East of Kailash  
New Delhi-110065

### REGISTERED & CORPORATE OFFICE:

114, Sant Nagar East of Kailash  
New Delhi - 110065  
TEL: 011-41620434, 41622193  
FAX: 011-26448906, 011-29245300

### BOARD COMMITTEE

#### Audit Committee

Mr. Ravi Kohli  
(Chairman)  
Mr. Anil Mithal  
Mr. Girish Sareen

#### Remuneration Committee

Mr. Girish Sareen  
(Chairman)  
Mr. Anil Mithal  
Mr. Ravi Kohli

#### Investors'/Shareholders' Grievance Committee

Mr. Anil Mithal  
(Chairman)  
Mr. Ravi Kohli  
Mr. Girish Sareen



**NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held on Tuesday the 27th August, 2013, at 11.30 A.M. 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, 2013 together with Directors' and Auditors' Reports thereon.
- 2 To appoint a Director in place of Dr. Gautam Sehgal who retires by rotation and being eligible offers himself for reappointment.
- 3 To appoint a Director in place of Dr. Vivek Sehgal who retires by rotation and being eligible offers himself for reappointment.
- 4 To appoint Auditors to hold office from the conclusion of the Twenty Eighth Annual General Meeting till conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:-****5 RE-APPOINTMENT OF MANAGING DIRECTOR:**

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 198 and 309 of the Companies Act, 1956, subject to approval of Central Government (Ministry of Corporate Affairs), Company in General Meeting for re-appointment of Dr. Gautam Sehgal, as Managing Director of the Company w.e.f. 01.06.2013 for a period of three years at the remuneration and perquisite as per details hereunder during his tenure from 01-06-2013 To 31-05-2016.

Salary: - Rs. 1,80,000/- (Rupees One Lac Eighty Thousand only) Per Month.

HRA: - RS. 80,000/- (Eighty Thousand only) Per Month.

With 10% Increase in above Emoluments every year and also eligible for Provident Fund and Gratuity as per Company Rules.

**"FURTHER RESOLVED** that Board of Director be and hereby authorized to make / accept necessary variation in the above said terms of appointment, as may be permissible under the provision of Companies Act, 1956, from time to time."

**"FURTHER RESOLVED** that remuneration paid to Dr. Gautam Sehgal as above shall be the minimum remuneration payable to him in the absence of inadequacy of profit during the currency of tenure."

**6 TO INCREASE THE BORROWING POWER OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:

**"RESOLVED THAT** in supersession of all the resolutions passed in that behalf by the company and pursuant to clause (d) of sub- section (1) of section 293 and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, the consent be and is hereby accorded to the Board of the Directors for borrowing for and on behalf of the company, from time to time, any sums or sums of moneys, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) will or may exceed the aggregate for the time being of the paid- up capital of the Company and its



## NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING

free reserves, that is to say, reserves not set apart for any specific purpose, but so that total amount up to which moneys to be so borrowed under the said clause (d) of sub-section (1) of section 293 shall not at any time exceed Rs. 550.00 Lacs.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution."

**ANNEXURE TO NOTICE****Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.****Item 5.**

Dr. Gautam is the Managing director of the company since 01.06.2000. Due to adverse position of the industry he had been drawing a token remuneration of Rs 2/- only upto 30 April 2009. However due to rise in cost of living and other expenses his salary was increased to Rs. 1 Lakh by the Board of directors.

It is now proposed to further compensate him for the commendable work done by him helping the company to turn around.

The remuneration committee has recommended upward the remuneration of Dr. Gautam as specified in the resolution. The company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of thirty days in the preceding financial year.

**Statement of Disclosures referred to in clause (IV) to Para 1(C) of Part II, Section II of Schedule XIII to the Companies Act, 1956.**

**General Information:**

1. Nature of Industry	Medical Diagnostic and sale and service of Medical Equipment.		
2. Date or expected date of commencement of commercial production.	Since date of incorporation i.e. 23 .06.1984		
3. In case of new companies, expected date of commencement of activity as per project approved by financial institutions appearing in the prospectus	N.A		
4. Financial performance based on given indicators.		<b>Amount 2012-13</b>	<b>Amount 2011-12</b>
	Income	56,422,453	41,153,323
	Expenditure	57,823,406	40,688,969
	PBT	(1,400,954)	464,354
	Provision for Tax	0	600000
	Provision for Deferred Tax etc.	(311573)	(227542)
	PAT	(1,089,381)	91,896
5. Export performance and net foreign exchange collaborations.	N.A.		
6. Foreign investments or collaborators, if any	N. A.		



## NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING

**Information about the appointee:**

- |                                   |   |
|-----------------------------------|---|
| 1 Background details              | Dr. Gautam Sehgal is the son of Late Dr. Arjun Dev Sehgal, a noted Neurosurgeon and is himself a M.B.B.S. from JJM Medical College, Karnataka and has been trained at Yale's School of Medicine, USA. He is having more than twenty three years of experience in the field of Medicine and has been heading the managerial functions of this company for the last thirteen years. |
| 2 Past remuneration               | Past remuneration of Dr. Gautam since 01.06.2011 is as under:-<br>Basic salary Rs.1,25,000/- per month & HRA. Rs. 75,000/- per month.   |
| 3 Recognition or Awards           | N/A   |
| 4 Job profile and his suitability | Dr. Gautam Sehgal is responsible for overall supervision and superintendence of all technical and managerial functions of the company. He is a qualified medical professional and is eminently suitable for the job in hand.  |

**Other information:**

- |   |  |
|---|--|
| 5. Remuneration proposed  | Salary: - Rs.1,80,000/- (Rupees One Lac Eighty Thousand only) Per month.<br><br>HRA:-80,000/- (Rupees Eighty Thousand only), Per Month.<br><br>With 10% Increase in above Emoluments every year and also eligible for Provident Fund and Gratuity as per Company Rules.<br><br>Further, Board of Director be and are hereby authorized to make / accept necessary variation in the above said terms of appointment, as may be permissible under the provision of Companies Act, 1956, from time to time.<br><br>The remuneration paid to Dr. Gautam Sehgal as above shall be the minimum remuneration payable to him in the absence of inadequacy of profit during the currency of tenure. |
| 6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with the country of his origin) | The remuneration in similar industries is much more than the remuneration proposed in the company.   |
| 7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial Personnel, if any.  | No relationship except with Dr. (Mrs.) Versha Sehgal, Dr. Vivek Sehgal and Ms. Radhika Sehgal who are relatives within the meaning of Section 6 of the Companies act,1956.   |
| 1. Reasons of loss or inadequate profits.   | The company is operating in competitive market.  |
| 2. Steps taken or proposed to be taken for improvement.   | Efforts are being made to increase revenue by aggressive marketing of its Sale & Service products  |
| 3. Expected increase in productivity and profits in measurable terms.   | The company expects to grow under the guidance of Dr.Gautam Sehgal's experience and know-how.  |



## NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING

**Disclosures.**

1. The shareholders of the company shall be informed of the Remuneration package of the managerial person.
2. The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report:
  - a) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the directors.
  - b) Details of fixed component and performance linked incentives along with the performance criteria;
  - c) Service contracts, notice period, severance fees;
  - d) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Informed vide Notice of this Annual General Meeting.

The necessary details are provided in the Director's Report

**Item 6**

The company needs funds to meet its operational and financial obligations considering that it is expanding its business of sales and service of medical equipments.

Pursuant to the provisions of 239 (1)(d) and other provisions of the Companies Act, 1956, the company needs the approval of its shareholders for borrowing in excess of aggregate of its paid up capital and free reserves. In view of the above it is proposed to authorise the Board to borrow moneys upto Rs.550 Lakhs.

None of the Directors are interested in the resolution.

The Board commends the resolution for the approval of the shareholders

**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 22-08-2013 to 27-08-2013 (both days inclusive).
3. Members are requested to intimate the change of address, if any.

**Inspection**

Memorandum and Articles of Association of the Company and other document if any, are available for inspection at corporate office of the company between 10:30 A.M. and 12:30 P.M. on all working days except Sunday and Holidays.

By ORDER OF THE BOARD  
For ADS DIAGNOSTIC LIMITED

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

Place: New Delhi  
Dated: 30th May 2013



**TO THE MEMBERS:**

Your Directors have pleasure in presenting the Twenty Eighth Annual Report together with the audited accounts for the year ended 31<sup>st</sup> March 2013.

<b>FINANCIAL RESULTS</b>	<b>2012-2013 (Rs.)</b>	<b>2011-2012 (Rs.)</b>
Operating Income	56,422,453	41,153,323
Profit before Interest & Depreciation	17,76,694	42,66,692
Less: a) Interest	1,131,969	829,714
b) Depreciation	2,045,679	2,949,370
Net Profit / (Loss) before Taxation	(1,400,954)	464,355
Provision for Income Tax	0	600,000
Provision for Deferred Tax	(270,915)	(248,001)
Net Profit / (Loss) after Taxation	(1,130,039)	112,356
Add: Balance of Profit Brought forward from previous years	(2,44,730)	(336,627)
Add: Excess/ (Short) Provision for Income Tax for Previous years	(40,657)	20,459.00
Balance carried to Balance Sheet	1,334,112	(244,731)

**OPERATIONS:**

The operational income of the Company has increased from Rs. 411.53 Lacs, to Rs. 564.22 Lacs, registering a growth of 37.10% in the current year. Income from scanning business has decreased from Rs. 10.77 to Rs. 0.92 Lacs during the year under review. The income from trading and servicing has increased from Rs. 236.74 Lacs to Rs. 497.33 Lacs for the current year. While Distribution Commission has decreased from Rs. 158.88 Lacs to Rs. 60.75 Lacs for the current year. Overall income has increased by Rs. 152.69 Lacs, during the year under review.

**INCOME FROM NON DIAGNOSTIC BUSINESS:**

The Overall income is increasing year after year. However, company has incurred a loss of Rs. 14.00 Lacs before tax due to reason mentioned above. The Board of Directors are hopeful turned-around in the year 2013-14, as the company has undertaken a new projects/Tenders.

**DIVIDEND:**

Due to the loss the Board expresses their inability to recommend any dividend for the year 2013-2014.

**LISTING:**

Shares of your Company continue to be listed on Bombay Stock Exchange Limited, Mumbai and the listing fee has been paid for the year 2013-2014 in the month of May, 2013.

**DIRECTORS:**

Dr. Gautam Sehgal & Dr. Vivek Sehgal, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment.

The Board recommends to the shareholders the re-appointments of the above-mentioned Directors.



**THE DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT (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, 2013, 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 2013 on a 'going concern' basis.

**AUDITORS' REPORT AND RE-APPOINTMENT OF AUDITORS**

The Auditors, M/s R. Nagpal 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, 1975 as amended by Amendment Rules, 2011 do not apply, as none of the employees of the Company was paid a salary of Rs. 5,00,000/- (Rupees Five Lacs Only) or more per month, if employed for part of the year or Rs.60,00,000/- (Rupees Sixty Lacs Only) per annum, if employed throughout the year.

**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**

**Dr. Gautam Sehgal**  
Managing Director

Place: New Delhi  
Date: 30<sup>th</sup> May 2013.

**Dr. (Mrs.) Versha Sehgal**  
Director