

NMC



**Fifteenth Annual Report
2002 - 2003**

Noida Medicare Centre Ltd

an ISO 9001:2001 Health Care Organisation

Quality Policy

Commitment to excellence in providing quality healthcare delivered by expert & professional teamwork in a humane, compassionate and caring environment, through continual improvement and technological upgradation, ensuring maximum patient satisfaction and health.

Fully committed to provide eco - friendly environment thereby preventing hazardous pollution and complying with all applicable environmental legislations and regulations.

*" The groundwork of all happiness is health
&
Our aim at NMC, is to excel
in healthcare. "*

Dr. Naveen Chaudhri
Managing Director

Noida Medicare Centre Ltd.**DIRECTORS**

BRIG.R.S.CHAUDHRI
DR. NAVEEN CHAUDHRI
SHRI DES RAJ KHATTER
SHRI VIKRAM PRAKASH
DR. HARSHA JAUHARI
SHRI C.P.CHHABRA
SHRI RAM K. GUPTA
SHRI J.P.DOONGA

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CHAIRMAN
MANAGING DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR (IDBI NOMINEE)
DIRECTOR (IVCF NOMINEE)

COMPANY SECRETARY

R.K. GUPTA

BANKERS

BANK OF INDIA, CORPORATE BANKING BRANCH
SHAHEED BHAGAT SINGH MARG, NEW DELHI-110001

AUDITORS

N.K. DUGGAL & CO.
CHARTERED ACCOUNTANTS
POCKET-A, FLAT NO.29A, ASHOK VIHAR, PHASE-II
DELHI-110052.

INTERNAL AUDITORS

VIPAL KALRA & ASSOCIATES,
CHARTERED ACCOUNTANTS,
314, GANGA SHOPING COMPLEX, BLOCK II, SECTOR-29,
NOIDA-201 301 (U.P.)

SOLICITORS & ADVOCATES

ATUL NANDA & CO.
12C, SAGAR APARTMENTS, 6, TILAK MARG
NEW DELHI-110 001.

REGISTERED OFFICE

VIDYASAGAR INSTITUTE OF MENTAL HEALTH & NEUROSCIENCES,
1, INSTITUTIONAL AREA, NEHRU NAGAR,
NEW DELHI – 110065.

HOSPITAL & CORPORATE OFFICE

16-C, BLOCK-E, SECTOR –30,
NOIDA 201301 (U.P.)

IMAGING & DIAGNOSTIC DIVISION

NMC IMAGING & DIAGNOSTIC CENTRE
VIDYASAGAR INSTITUTE OF MENTAL HEALTH & NEUROSCIENCES,
1, INSTITUTIONAL AREA, NEHRU NAGAR, NEW DELHI-110065.

REGISTRARS & SHARE TRANSFER AGENTS

M/S MCS LTD.
SRI VENKATESH BHAWAN
212-A, SHAHPUR JAT
BEHIND PANCHSHEEL CLUB
NEW DELHI-110049

Noida Medicare Centre Ltd.**NMC****NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of NOIDA MEDICARE CENTRE LIMITED will be held at Vidyasagar Institute of Mental Health & Neurosciences (VIMHANS), 1 Institutional Area, Nehru Nagar, New Delhi-110065 on THURSDAY, the 25th SEPTEMBER, 2003 at 9.00 A.M. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company and Directors' Report and Auditors Report thereon for the financial period ended 31st March, 2003.
2. To appoint a Director in place of Dr. Harsha Jauhari who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. C.P. Chhabra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold the office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company and fix their remuneration.

M/s. N.K. Duggal & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible offers themselves for re-appointment.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification(s) the following Resolution(s):

5. As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A)(including any statutory modification or re-enactment thereof) and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of Reserve Bank of India, Stock Exchange(s), Registrar of Companies and other appropriate authorities and such approvals, permissions and sanctions as may be necessary and subject to the guidelines issued from time to time by Securities and Exchange Board of India (SEBI) and subject to such conditions and modifications as may be considered

necessary by the Board of Directors/Committee of Directors of the Company and as may be prescribed by the concerned authorities while granting such approvals, permissions and sanctions and agreed to by the Board of Directors or Committee thereof, the consent of the Company be and is hereby accorded to the Board of Directors, Committee of Directors of Company to issue and offer Equity Shares or other financial instruments/securities (hereinafter for brevity's sake referred to as "securities") for cash at par, of an aggregate amount not exceeding Rs. 6 Crores by way of Private Placement or in such manner including preferential reservation/firm allotment to the promoters, friends, relatives and business associates and/or permanent and regular employees and workers of the Company (including Indian Working Directors) and/or employees and shareholders of promoter/group Companies and/or Financial Institutions and/or Investment Institutions and/or Foreign Financial Institutions, Investment Institutions, Non Resident Indians, Overseas Bodies Corporate and/or Mutual Funds and/or other entities as may be decided by the Board of Directors, Committee of Directors and permitted by appropriate authorities or as may be permissible under any guidelines issued or may be issued by any authority and at such times and on such terms and conditions as the Board of Directors/Committee of Directors may in the sole discretion think fit."

"RESOLVED FURTHER THAT the shares to be issued as aforesaid or allotted or otherwise shall have a face value of Rs. 10/- each and shall rank pari-passu with the existing Equity Shares of the Company in all respects except that the holders of the aforesaid Equity Shares shall be entitled to dividend, if any, which may be declared or paid after the date of allotment and in proportion to the amount of capital paid up thereon and pro-rata for the period during which such capital is paid up."

"RESOLVED FURTHER THAT the Board of Directors/Committee of Directors be and is hereby authorised, in its absolute discretion, to make the said issue on such terms and conditions as may be deemed appropriate and to decide the terms and conditions of the issue including size of the issue, manner of issue and to accept such modifications and conditions in the terms of the issue as may be specified/permitted by Securities and Exchange Board of India (SEBI) or other concerned authorities and to take consequential

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actions thereon, including authority to revise the aggregate amount of issue, adjust or reallocate the number and value of the Equity Shares proposed to be issued to the different categories of persons specified above and the Board of Directors/Committee of Directors be and is hereby further authorised to increase/decrease the number of Equity Shares of the issue in the event of such variation being considered expedient as a result of any modification(s) effected by Securities & Exchange Board of India or other authorities or as the Board may, in its absolute discretion deem fit in the prevailing market conditions."

"RESOLVED FURTHER THAT for the purpose of giving effect to all or any of the foregoing, the Board of Directors/Committee of Directors be and is hereby inter-alia, from time to time authorised to prescribe and finalise the application form(s), to determine the amount payable on application, allotment and call(s), if any, to appoint Lead Consultants, Registrar, Underwriters, Brokers, Bankers, Printers, Advertisers and/or any other agency and to make standby arrangements as may be required for this purpose and are authorised to do all such acts, deeds and things as may be necessary or expedient for giving effect to the above resolution and to settle any question, difficulty or doubt that may arise in regard to the offer/issue and finalise such documents for creating mortgages/charges as it may deem fit."

"RESOLVED FURTHER THAT the new shares of the Company be listed together with existing shares as the case may be with the Recognised Stock Exchange(s) as may be decided by the Board of Directors/Committee of Directors and the Company will comply with such Guidelines/Regulations as are applicable to such listing or such directions as are given by Stock Exchange(s) / Securities and Exchange Board of India for listing of these shares."

6. As an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1953, the Authorised Capital of the Company be increased from Rs. 10,00,00,000 (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 16,00,00,000 (Rupees Sixteen Crores) divided into 1,60,00,000 (One Crore Sixty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each."

7. As a Special Resolution:

"RESOLVED THAT Clause No. V of the Memorandum of Association of the Company be altered by deleting the figures and words Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten) each."

And

Substituting in place thereof the figures and words Rupees 16,00,00,000 (Rupees Sixteen Crores) divided into 1,60,00,000 (One Crore Sixty Lacs) Equity shares of Rs. 10/- (Rupees Ten) each."

8. As a Special Resolution:

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 1956, if any, Article 3 of Articles of Association of the Company be and is hereby altered by deleting the figures and words Rs. 10,00,00,000 (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten) each."

AND

Substituting in place thereof the figures and words Rs. 16,00,00,000 (Rupees Sixteen Crores) divided into 1,60,00,000 (One Crore Sixty Lacs) equity shares of Rs. 10/- (Rupees Ten) each."

9. As a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company, be and is hereby altered as follows.

To insert the following Article after existing Article 103 and to be named as Article 103A:

Article 103A – Notwithstanding anything contained in the Articles of Association of the Company, pursuant to Section 192A of the Companies Act, 1956, the Company may, and in the case of resolution relating to such business as the Central Government may, by notification, declare to be conducted by postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of following matters instead of transacting such business in a General Meeting of the Company.

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Resolutions relating to such business as the Central Government may by notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/or other ways as may be prescribed by the Central Government in this regard."

10. As a Special Resolution:

"RESOLVED THAT approval as required by Section 163 and such other applicable provisions, if any, of the Companies Act, 1956, be and is hereby given for the Register of Members, the Index of Members, Annual Returns under Section 159 together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Companies Act, 1956, be kept at the Company's Registrar & Share Transfer Agent's office at M/s. MCS LTD., Srivenkatesh Bhavan, 212-A, Shahpurjat, Behind Panchsheel Club, New Delhi-110049, instead of the Registered Office of the Company so long as they are the Registrar & Share Transfer Agents of the Company."

BY ORDER OF THE BOARD

Regd. Office:
Vidyasagar Institute of Mental
Health & Neurosciences,
1 Institutional Area,
Nehru Nagar, New Delhi-110065

R.K. Gupta
Company Secretary

Place : New Delhi
Date : August 27, 2003

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND TO VOTE ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Item No(s) 5 to 10 mentioned in the above Notice is annexed hereto.

3. The Members are requested to notify the change address, if any, to the Company.
4. The Register of Members and Share Transfer Book of the Company shall remain closed from Friday, the 19th September, 2003 to Thursday, the 25th September, 2003 (both days inclusive).
5. The Members are requested to bring their copies of the Annual Report and Attendance Slip with them at the Annual General Meeting.
6. Members are requested to intimate to the Company queries, if any, regarding Accounts/Notice at least 7 days before the Meeting at its Registered Office address to enable the Management to keep the information ready at the meeting.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956).****ITEM NO. 5**

Keeping in view the entry of newer hospitals in the region and growing stiff competition, the requirement of funds for the proposed upgradation programme and also the Company's application to financial institutions for restructuring of its debts, your Directors proposes to raise funds to the extent of Rs.6 Crores from time to time in one or more tranches by issue of equity shares or such other securities by way of private placement and/or through preferential allotment to the promoters, friends, relatives and business associates and/or in any other manner and to such person or persons, as setout in the Resolution, and as may be decided by the Board.

Section 81 of the Companies Act, 1956, provides inter-alia, that when it is proposed to increase the subscribed capital of the Company by way of allotment of further shares, such further shares shall be offered to the existing members of the Company in the manner laid down in Section 81, unless the Shareholders in a General Meeting decide otherwise.

Your Directors recommend the Resolution for approval of the shareholders for the proposed issue of securities.

None of the Directors of the Company is interested in the proposed resolution except to the extent of number of shares/securities that may be held or may be subscribed by them or their relatives or Companies/Firms/HUFs/

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Institutions in which they are Directors/ Partners/Members/ Nominees.

ITEM NO. 6, 7 and 8

In terms of requirement of funds for the Company's upgradation programme and also the Company's application to financial institutions for restructuring of its debts, which is proposed to be financed/part financed through issue and offer of equity shares or other financial instruments/securities for cash at par by way of preferential allotment to promoters, friends, relatives and business associates, employees/or financial institutions, investment institutions, overseas bodies corporates and/or mutual funds and/or other entities as may be decided by the Board, it is proposed to increase the authorised capital from existing Rs.10 Crores to Rs. 16 Crores. Accordingly, the Company proposes to amend the Capital Clause in the Memorandum of Association and Article No.3 of Articles of Association of the Company.

Your Directors recommend the Resolution(s) for your approval.

None of the Directors of the Company is interested in these Resolution(s).

A Copy of Memorandum & Articles of Association of the Company together with proposed alterations is available for inspection of the members of the Company at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on all working days.

ITEM NO.9

Consequent to amendment to the Companies Act, 1956, giving shareholders of Public Listed Companies a right to vote through postal ballot system for certain matters for which notification has been issued by the Department of Company Affairs in this regard, the Articles of Association of the Company need to be amended as proposed in the resolution to be in line with the provisions of the Companies Act, 1956.

Your Directors recommend the Resolution under Item No.9 for acceptance by the Members.

None of the Directors are concerned or interested in the said Resolution.

ITEM NO.10

The Board of Directors at its Meeting held on 27th August, 2003 decided to keep and maintain the Register of the Members, Index of Members and all other Annual Returns together with copies of the certificates and necessary documents required to be annexed thereto at Company's Registrar & Share Transfer Agent's office at M/s. MCS LTD., Srivenkatesh Bhavan, 212-A, Shahpurjat, Behind Panchsheel Club, New Delhi-110049 for providing efficient services to the shareholders of the Company.

The approval of the Members of the Company is required under Section 163 of the Companies Act, 1956, for keeping the said documents in the Office of Registrar & Share Transfer Agents.

Your Directors recommend the Resolution under Item No.10 for acceptance by the Members.

None of the Directors are concerned or interested in the said Resolution.

INSPECTION OF DOCUMENTS

The documents referred to in this Notice/Explanatory Statement are open for inspection by any Member at the Registered Office of the Company during Company's business hours on any working day upto the date of Annual General Meeting.

BY ORDER OF THE BOARD

R.K. Gupta
Company Secretary

Regd. Office:
Vidyasagar Institute of Mental
Health & Neurosciences,
1 Institutional Area,
Nehru Nagar, New Delhi-110065

Place : New Delhi
Date : August 27, 2003

Noida Medicare Centre Ltd.**DIRECTORS' REPORT**

To
The Members
NOIDA MEDICARE CENTRE LTD.

Your Directors have pleasure in presenting Fifteenth Annual Report together with the Statement of Accounts for the period ended 31st March, 2003.

FINANCIAL RESULTS

	<i>Rs. in Lacs</i>	
	Current Year 2002-2003 (9 months)	Previous Year 2001-2002 (15 months)
Income	1,025.13	1,854.29
Profit before interest, depreciation & taxation	103.74	230.40
Interest	74.63	129.43
Depreciation	143.61	137.62
Profit/ (Loss) Before Tax	(69.43)	(129.33)
Provision for Tax	-	-
Profit/ (Loss) after Tax	(69.43)	(129.33)

Your Directors have decided to change the accounting period ended on 31st March, 2003 as against previous accounting period ended on 30th June 2002, consequent to which the Company has prepared the current accounts for 9 months as against previous accounts of 15 months.

OPERATIONS

During the period under review, the Company earned an income of Rs.1025.13 lacs (previous period Rs.1854.29 lacs), however due to provision for higher interest, depreciation and bad debts written off, the Company incurred a net loss of Rs.69.43 lacs (previous period Rs.129.33 lacs) in the current period.

All the departments of the hospital and its imaging & diagnostic division need significant upgradation and renovation keeping in line with the modern trends. The entire airconditioning, sanitation and electric control panels etc. have decayed in last 13 years. The replacement for the same takes time in a running hospital and is expected to be completed in another 6-8 months time. The major revenue earning departments viz. renal transplantation is

under performing and newly setup superspecialised cardiac wing has yet to pickup mainly due to cut-throat competition in the region and major renovation in hospital. To meet the steadily growing patients' expectations and comfort level, all the departments of the hospital especially Renal Transplant and Dialysis Unit, Cardiac Unit, Casualty Block and Advanced Gynae Block are poised for future expansion and modernization following requisite financial inputs.

Your hospital when started in 1989, had monopoly in super-specialised healthcare services, not only in Noida but also in the State of Uttar Pradesh. Over a period of time, several big and medium hospitals have come up in Delhi and Noida in particular. The patient inflow base no doubt, has increased with the development of Noida, but has been distributed over a large segment of hospitals and nursing homes. Even the empanelled blue-chip public/private sector corporate clientele is being shared by the total hospitals in the region. Besides, the newly introduced hospitals with their large investments and infra-structural setup have been able to attract the renowned and expert doctors from Noida. All this has affected not only the strong referral patient base but also adversely affected the revenue and profitability of the hospital.

Your Company has been making its all out efforts to strengthen its working operations by undertaking extensive marketing activities and spreading awareness about the quality treatment at an affordable cost under one roof.

Your hospital at Noida, and Imaging & Diagnostic Centre at Vimhans, New Delhi have been certified for ISO 9001:2000 by the Quality Certification Bureau Inc., Canada.

ESCORTS-NMC HEART CENTRE

During the period under report, your Company which has setup Escorts-NMC Heart Centre in association with Escorts Heart Institute & Research Centre Ltd., New Delhi, the leaders in the field of Cardiology, have been providing superspecialised interventional cardiology and cardiothoracic services to the utmost satisfaction of the patients. The Company is confident that over a period of time, its cardiac wing shall excel in providing international standards of preventive, diagnostic and operative heart care with the active support of Escorts Heart Institute.

UPGRADATION/MODERNIZATION

In order to give the hospital, a modern look and also in view of the stiff competition being faced by the hospital not only

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from the existing healthcare centre(s) but also by the large group of hospitals coming up in and around Noida, your hospital has undertaken changes/ alterations/renovations in its existing building at Noida. The modifications were under taken in various departments viz. Casualty/Emergency Block, Operation Theatre Complex, Single/ Deluxe/ Suites Rooms, OPD Block, General Ward, Department of Internal Medicine and Stress Management. The renovation work is in progress for pharmacy, cafeteria, billing and reception, and also modification in the main facade of the hospital building.

FINANCE

During the period under report, your Company has approached its term lenders viz. IFCI Ltd. and Industrial Development Bank of India (IDBI) for reschedulement and relaxation of its total debts including interest accrued thereon amounting to Rs.20.95 crores as on 31st March 2003. The Company is exploring the various possibilities of reducing/ substituting the high cost funds and avenues of raising additional funds through equity, hiving off its Imaging & diagnostic division, private placement, and all such other options towards satisfaction of its lenders.

This will enable the Company to service its financial commitments and upgrading of its existing medical facilities to provide the latest and best possible healthcare services to the community.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for that period.
3. Proper and sufficient care has been taken 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.

4. The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Your Company sees Corporate Governance as a system of practices aimed at ensuring transparency, fairness, independence and accountability. It is the endeavor of the Company to implement these values to attain Excellency in all the fields directly or indirectly related to the Company. The Company has implemented the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with Stock Exchange(s) during the period ended 31st March 2003. A report on Corporate Governance alongwith a certificate of compliance from the Auditors of the Company is annexed and forms part of this report.

DIRECTORS

In accordance with Articles of Association of the Company, Dr. Harsha Jauhari and Mr. C.P. Chhabra, Director(s) retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

LISTING

The Equity Shares of your Company are listed with Delhi Stock Exchange Association Ltd., The Stock Exchange, Mumbai, The U.P. Stock Exchange Association Ltd., Kanpur. Your Company has paid Listing Fees for the year 2003-2004 to all the three Stock Exchange(s).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO.

A. CONSERVATION OF ENERGY

As required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure and Particulars in the Report of Directors) Rules 1988, your Company being a Hospital is not covered by the schedule of industries which are required to furnish the information in Form A. However, conservation of energy continued to be one of the important objectives of the Company. The primary focus is on to reduce energy costs at all levels like (a) installation of energy management system for heating, ventilation and air-conditioning (b) using automatic power factor controller with capacitors to reduce the electrical demand alongwith maximum demand controller which enables to trip the non-essential electrical load in case the demand exceeds the set value (c) replacement of metallic cooling tower blades with fiber reinforced plastic type,