



# NOIDA MEDICARE CENTRE LIMITED

## DIRECTORS' REPORT

To

The Members

**NOIDA MEDICARE CENTRE LTD**

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2017. The year under review has been good as company has witnessed upward trend in operation.

The company has managed to record a turnover of Rs. 1,881.18 Lakh as compared to a turnover of Rs. 1,031.11 Lakh for the previous year ended 31<sup>st</sup> March, 2016. During the year under review, Profit (Loss) before interest, depreciation and taxation was Rs. (496.45) Lakh as compared to Rs. (359.55) Lakh in the previous year ended 31<sup>st</sup> March, 2016.

The company has started regaining its place and your Board is confident that it would return to its full capacity very soon. We sincerely thank our shareholders, bankers, employees, doctors, consultants, and all stakeholders for their continued faith, co-operation and support.

### **FINANCIAL RESULTS:**

PARTICULARS		Amount (INR) For the Year ended March 31, 2017	Amount (INR) For the Year ended March 31, 2016
Revenue from operations		175,990,029	100,536,005
Other income		12,128,320	2,575,112
<b>Total Revenue</b>		<b>188,118,349</b>	<b>103,111,117</b>
<b>Expenses:</b>			
(a)	Cost of Materials consumed	43,224,879	30,464,526
(b)	Employee Benefit Expenses	28,016,634	8,548,442
(c)	Finance costs	32,483,693	28,076,736
(d)	Depreciation	32,282,960	42,609,781
(e)	Other Expenses	166,521,656	100,054,091
<b>Total expenses</b>		<b>302,529,822</b>	<b>209,753,576</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(114,411,472)</b>	<b>(106,642,460)</b>
Exceptional items		-	-
<b>Profit before extraordinary items and tax</b>		<b>(114,411,472)</b>	<b>(106,642,460)</b>
Extraordinary Items			
<b>Profit before tax</b>		<b>(114,411,472)</b>	<b>(106,642,460)</b>
<b>Tax expense:</b>			
(a)	Current Tax	-	-
(b)	MAT Credit Entitlement	-	-
(c)	Income Tax for earlier years	618,424	-
(d)	Provision for Deferred Tax Liability / (Assets)	(3,055,394)	(4,696,899)
<b>Profit (Loss) for the period from continuing operations</b>		<b>(111,974,503)</b>	<b>(101,945,562)</b>
<b>Profit/(loss) from Discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) for the period</b>		<b>(111,974,503)</b>	<b>(101,945,562)</b>
<b>Earnings per equity share:</b>			
(1)	Basic	(7.74)	(7.05)
(2)	Diluted	(7.74)	(7.05)

### **FINANCE**

During the year under report, Kotak Mahindra Bank Ltd. continued to be the main banker of the company. The company has been able to reduce its term loan facility from the Bank to Rs. NIL.

The details of secured borrowings as on 31-03-2017 are as under:-

Secured Borrowings			Amount in Rupees
(a)	Loans repayable on demand		As at 31-03-2017
	(i)	Overdraft from Kotak Mahindra Bank Limited (Secured against Land and Building and Personal Guarantee of Promoter Director )	59,533,047
	(ii)	LC Devolvement from Dhanlaxmi Bank Limited (Secured against Land and Building and Personal Guarantee of Promoter Director )	137,291,041
	(iii)	Loan from Reliance Capital (Secured against Equipment and Personal Guarantee of Promoter Director )	500,000
	<b>Total</b>		<b>197,324,088</b>



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## **TRANSFER TO RESERVE**

Your Board has not recommended any transfer to the Reserve during the year under consideration.

## **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is nothing to report under this head as company has not changed its nature of Business during the financial year under consideration

## **SHARE CAPITAL**

There is no change in the share capital of the company during the year and hence no comment is required.

## **DIVIDEND**

Your company has not paid any dividend for the year under consideration.

## **PUBLIC DEPOSITS**

The company has not invited any deposit from the public.

## **BOARD EVALUATION**

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. The Chairman and Managing Director had one-on-one meetings with the Independent Directors and the Chairman of the Nomination and Remuneration Committee had one-on-one meetings with the Executive and Non-Executive Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/Committee processes. The Board considered and discussed the inputs received from the Directors. Further, the Independent Directors at their meeting reviewed the performance of Board, Chairman and Managing Director and of Non-Executive Directors.

## **NOMINATION AND REMUNERATION POLICY [COMPANY'S POLICY ON APPOINTMENT OF DIRECTORS, THEIR REMUNERATION AND OTHER RELATED THINGS]**

The company is having its policy on appointment of Directors, their Remuneration and other related things which are in conformity with the Laws, Rules and Regulations. The Nomination and Remuneration Committee of the Board has to play a wider role in the matter. The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their Remuneration. As part of the policy, the Company strives to ensure that:

- the level and composition of Remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship between Remuneration and Performance is clear and meets appropriate Performance Benchmarks; and
- Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the Report.

The said information is also available for inspection at Registered Office of the Company during working hours. Any member interested in obtaining such information by post may write to the Company Secretary, at the registered office and the same will be furnished on request. Further the details are also available on the Company's website: [www.nmc.co.in](http://www.nmc.co.in)

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of the company is duly constituted and there is no change in composition of the Board since last Annual General Meeting. As per the Companies Act, 2013, Mr. Manjeet S Bedi will retire at the Annual General Meeting and being eligible, seeks re-appointment.

Pursuant to section 203 of the Companies Act, 2013, the Key Managerial Personnel of the company are as under:-

Sl No	Name of the KMP	Designation
1	Dr. (Maj) Naveen Chaudhri	Managing Director
2	CS Kumari Shashi Sinha	Company Secretary

The information on the particulars of the Director (s) seeking re-appointment including Profile, particulars of experience, attributes and skills, as required under relevant clause of the Listing Agreement read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is furnished elsewhere in this report.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The independent Directors of the company, in opinion of the Board, are the person of integrity and possess relevant expertise and experience. They are or were not a Promoter of the Company or its Holding, Subsidiary or Associate Company and they are not related to Promoters or Directors of the Company, its Holding, Subsidiary or Associate Company. They including their relatives have or had no Pecuniary Relationship with the Company, its Holding, Subsidiary or Associate Company, or their Promoters, or Directors, during the two immediately preceding financial years or during the current financial year. They are not related with the company in any manner or aspect except being Independent Director. The declaration as required under section 149 (6) has already been obtained.



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## **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

There are no subsidiary/Joint Ventures/Associate Companies and hence no comment is required.

## **COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER**

There is no qualification, reservation or adverse remark or disclaimer made by the auditor in his report; and by the company secretary in practice in his secretarial audit report, hence no comment is required.

## **INTERNAL CONTROL SYSTEM**

This Forms an integral part of the Management Discussion and Analysis Report.

## **DISCLOSURE ABOUT COST AUDIT AND COST RECORDS**

The provisions pertaining to Cost Audit are not applicable to your company.

## **SECRETARIAL AUDIT REPORT**

In terms of Section 204 of the Act, Rules and Regulations made there under, the Company had appointed M/s. AKP & Associates, Company Secretaries (Practising Company Secretary) as Secretarial Auditor of the company for the year 2016-17. The Board considers his services valuable as far as corporate compliance is concerned and has proposed his re-appointment as Secretarial Auditor of the Company for the year 2017-18. The report of the Secretarial Auditor has been obtained and is being annexed to this report. The report is self-explanatory and do not call for any further comments.

## **VIGIL MECHANISM**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to Report Genuine Concerns has been established. The purpose is to strengthen its policy of corporate transparency and to establish an innovative and empowering mechanism for employees. Employees can report to the Management their concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics or policy.

## **RISK MANAGEMENT POLICY**

Company is exposed to inherent uncertainties owing to the sectors in which it operates. A key factor in determining a company's capacity to create sustainable value is the risks that the company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management Process focuses on ensuring that these risks are identified and addressed on a timely basis. The Board of Directors has constituted a Risk Management Committee. The Committee has adopted a Charter that outlines the role, responsibilities and powers of the Committee and the procedure for organizing the meeting of the Committee. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to "Enterprise Risk Management". The Committee reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks. Further, the Committee endeavours to assist the Board in framing, implementing and monitoring the Risk Management Plan for the Company and reviewing and guiding the risk policy. The Committee also guides Management in developing the Risk Management Policy and in implementing an appropriate Risk Management System/Framework for the Company.

## **HEALTH, SAFETY & WELFARE (HSW)**

Safety, occupational health and welfare of the employee has been the prime concerns of the Noida Medicare Centre Limited and accordingly your company has worked upon implementation of various provisions and facilities in this regard and continuously working for betterment of the same.

## **DETAILS OF THE BOARD MEETING**

The Details of the Board meeting held during the year ended on 31-03-2017 forms an integral part of Corporate Governance Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31<sup>st</sup> March 2017

## **CORPORATE GOVERNANCE**

Your company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability. It is the endeavour 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with Stock Exchanges during the year ended 31<sup>st</sup> March 2017. A report on Corporate Governance along with a certificate of compliance from the Auditors' of the company is annexed and forms part of this report.

A declaration by the Chairman & Managing Director pursuant to regulation 17(5)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that all the Board Members and Senior Management of the Company have affirmed compliance with the code of conduct, during the financial year ended 31<sup>st</sup> March 2017 is also attached with this report.

## **AUDITORS**

As per section 139 of the Companies Act, 2013, which deals with criteria for appointment and mandatory rotation of the Statutory Auditors read with rules and regulations made thereunder, it is mandatory to rotate statutory auditors of the company on completion of two terms of five consecutive years. The rules also lay down the rotational period that can be served by the existing Auditors depending on the number of consecutive years for which an Audit Firm has been functioning as Auditor in the same company. The existing auditors M/s N K Duggal & Co, Chartered Accountants (Firm Registration No-004809N) have been serving the company since last 25 years (Approx) and shall be completing the maximum number of transition period i.e. three years at the ensuing 28th Annual General Meeting.

The Audit Committee of the company has proposed and recommended the appointment of CA Keshav Prasad Bansal (Membership Number-505117) for one year i.e. for FY-2017-18. The first year of Audit will be for the FY 2017-18 which includes the audit of quarterly financial statement of the company.



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In line of above the Board has also recommended appointment of said CA Keshav Prasad Bansal for one year for Financial Year 2017-18 at its meeting held on 14th day of August 2017 subject to ratification by the shareholders at ensuing Annual General Meeting.

## **AUDITORS' REPORT**

The Audit Report does not contain any adverse remark. The Notes forming part of the Accounts, being self-explanatory, the comments made by the Auditors in their report are not being dealt separately.

## **EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Extract of Annual Return in MGT 9 as a part of this Annual Report is attached.

## **DISCLOSURE AS PER RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The disclosure as per rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being attached separately as an integral part of this report.

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No such changes and commitments have taken place during the year under consideration.

## **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There is nothing to report under this head.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

There is nothing to report under this head.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There is No contract or arrangements entered into by the Company with related parties during the financial year 2016-17

## **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent sexual harassment of women at work place, a new Act, The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, has been notified on 9th December, 2013. Under the said Act, every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee. Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year, the company has not received any complaint of harassment.

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

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### **a) Conservation of energy**

S No.	Particulars	Details Information
(i)	the steps taken or impact on conservation of energy	<ul style="list-style-type: none"> <li>❖ Phasing out of mercury lamps/CFL with LED Lamps.</li> <li>❖ Optimizing the usage of AHU's to avoid idle running</li> <li>❖ Maintenance of plant on a regular basis.</li> </ul>
(ii)	the steps taken by the company for utilizing alternate sources of energy	-
(iii)	the capital investment on energy conservation equipment's	-

### **(b) Technology absorption**

S No.	Particulars	Details Information
(i)	the efforts made towards technology absorption	The company focuses and strives hard to continuously upgrade the technology to deliver quality healthcare of international standards without, however resorting to any imports
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	-
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed;	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	-
(iv)	the expenditure incurred on Research and Development	-



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## (c) Foreign exchange earnings and Outgo

## Foreign Exchange Transaction Details

Particulars	Current Year (Rs.)	Previous Year (Rs.)
a) Expenditure in Foreign Currency	NIL	NIL
b) Earnings in Foreign Exchange	NIL	308,663

## **CORPORATE SOCIAL RESPONSIBILITY**

Your hospital always has a deep sense of responsibility towards the community and takes its social commitment very seriously. The recent provisions of the Companies Act 2013, however, are not applicable to your company but as a committed healthcare organization it has constituted a committee of independent/nonexecutive directors to guide/ suggest to the Board, various CSR measures from time to time. During the year under report, your hospital has organized many free health check-up camps of varied medical disciplines at the hospital premises and also at the premises of public/private service corporations. Besides your hospital has been providing subsidized / free medical services to the under privileged section of the society.

## **HUMAN RESOURCE**

This forms part of the Management and Discussion Analysis Report annexed with the Board Report.

## **LISTING**

The Equity Shares of your company are listed with the Bombay Stock Exchange. Your company is in process to pay the Listing Fees for the year to the Stock Exchange(s).

## **DIRECTORS' RESPONSIBILITY STATEMENT AS PER SECTION 134 OF THE COMPANIES ACT, 2013**

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting standard) Rules 2006, the provisions of the Companies Act, 2013, and the guidelines issued by the SEBI. The Board accept responsibility for integrity and objectivity of these financial statements. The Accounting policy used in preparation of the financial statements has been constantly applied except otherwise mentioned in the Notes. The Board has taken sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Pursuant to the requirement under Section 134 (3) read with 134 (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and 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 that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

The declaration regarding compliance by Board members and senior management personnel with the code of conduct of the company has been obtained and forms part of this Annual Report

## **APPRECIATION**

Your Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by Bankers, Statutory Auditors, Practicing Company Secretaries. Your Directors also wish to place on record their appreciation for the sincere and dedicated services rendered by the Consultant Doctors and Employees at all levels, and also thank the Private/Public Sector Corporation(s), Government Authorities, business associates for their continued support and co-operation.

The Directors also take this opportunity to thank the fraternity of shareholders for their continued confidence & trust reposed in the company.

Date: 14/08/2017

Place: Noida (U.P.)

For and on behalf of the Board

Dr. (Maj) Naveen Chaudhri

(Chairman & Managing Director)

DIN-00152598



# NOIDA MEDICARE CENTRE LIMITED

## Annexure to the Directors' Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### INDUSTRY STRUCTURE & DEVELOPMENT

The Indian Healthcare Sector is predicted to reach US\$ 280 billion by 2020 with enormous scope for investing in new speciality / multispeciality hospitals with installation of advanced equipments / technology up gradation. Increase in patient population, increasing lifestyle related health issues, affordable treatment costs, thrust in medical tourism, improving health insurance penetration, increasing disposable income, government initiatives.

India is amongst the nations that are experiencing the fastest economic growth and prosperity, globally. With higher disposable incomes and increasing awareness on health related issues, patients are likely to increase their discretionary spend on healthcare, especially on preventive healthcare. Further, India's growing population and increasing preference for private health services over public services is augmenting the growth of the healthcare delivery market.

#### KEY OPPORTUNITIES

- India is the second largest populated country in the world and is expected to see its population expand from 1.2 billion people currently to 1.5 billion people in 2026. Further with increasing longevity the number of middle-aged and elderly people is expected to multiply. This will result in an increase in the absolute numbers of persons requiring medical care and is expected to grow demand for all kinds of healthcare services manifold.
- With growing literacy rate in India and availability of information on the Internet, journals and other media avenues, there is a rapid increase in awareness on healthcare issues and diagnosis, which is expected to lead to a rise in patient volumes from primary to secondary or tertiary healthcare services.
- Medical tourism is also increasingly becoming a popular option for elective treatments by patients across the globe, constituting a key factor leading to the rapid growth in Indian healthcare sector. The availability of quality healthcare services at a fraction of the cost when compared to developed nations provides patients with a value proposition which blends leisure with medical care in an attractive manner. According to the Associated Chambers of Commerce and Industry of India (ASSOCHAM) estimates India's medical tourism market to grow at an annual rate of more than 30%.
- The Government is pushing forward a number of initiatives to promote private healthcare in the country by providing various subsidies and incentives to motivate players to invest in the healthcare market.

#### THREATS & CHALLENGES

The major challenge today for Indian Healthcare Sector is that on one hand it is poised for growth and better standards of medical care and on the other hand there exist poor infrastructure, demand-supply gap in healthcare, geographical accessibility and availability of cheaper funds etc. There has been arising in the number of corporate groups with heavy pockets foraying into healthcare through green field activities, JVs and acquisitions. Increasing inflation in India is depleting the purchasing power of patients and is intensifying the cost of living. There is also upward pressure on other costs such as transportation, supplies, equipment and other expenses, and an inability to manage costs or pass increased costs onto patients will lead to compressed returns. The Government has indicated its intent to correct the imbalance in the healthcare industry through initiative such as the National Rural Health Mission, National Urban Health Mission etc. However, these are few and far between and an overhaul of the regulatory framework is required rather than a few sporadic initiatives.

#### OUTLOOK

The healthcare sector in India is undergoing a phase of reformed propelled by rapid economic growth. The future looks bright and promising keeping in view the initiatives taken by both private players and government sector. NMC is committed to deliver quality healthcare services through the use of cutting edge technology to the utmost satisfaction and well being of the patients.

#### SEGMENT-WISE PERFORMANCE

The company is engaged in the healthcare business, which in context of Accounting Standard 17 issued by the Institute of Chartered Accountants of India is considered the only business segment.

#### RISKS & CONCERNS

NMC recognizes that risk is an intrinsic part of the business which covers various aspects viz operational, financial, legal & regulatory etc. These risks can adversely impact the functioning of the company through their effect on operating performance, cash flows, financial performance and over all sustainability of the company. The risks that may affect the functioning of the company viz. inflationary pressures, increasing cost of raw material transport and storage, competitive market conditions, compliance & regulatory pressures including change of tax laws, technological obsolescence in medical equipment. The hospital has been trying hard to mitigate these risks by taking adequate measures.

#### QUALITY ASSURANCE

NMC has always been in the forefront of providing quality healthcare, continual improvement and technological upgradation, ensuring maximum satisfaction and health of the patients. NMC is also fully committed to provide eco-friendly environment thereby complying with all applicable environmental legislations and regulations.

#### INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has a well-established and efficient internal control system and procedures. The Company has a well-defined delegation of the financial powers to its various executives through a well-designed system of delegation. To ensure internal controls, the company has appointed independent firm of chartered accountants for reviewing the effectiveness of operations, systems and procedures. In addition the audit committee of the Board of Directors reviews, advises and suggests internal auditors to continuously improve upon on their reporting process to ensure inter-alia compliance of various rules and regulations.



# NOIDA MEDICARE CENTRE LIMITED

## **FINANCIAL OPERATIONS VERSUS OPERATIONAL PERFORMANCE**

The company has managed to record a turnover of Rs. 1,881.18 Lakh as compared to a turnover of Rs. 1,031.11 Lakh for the previous year ended 31st March, 2016. During the year under review, Profit (Loss) before interest, depreciation and taxation was Rs. (496.45)Lakh as compared to Rs. (359.55) Lakh in the previous year ended 31st March, 2016.

## **HUMAN RESOURCE**

In keeping with the tradition of pioneering Human Resource practices across geographies, the Human Resources Management (HRM) function has driven myriad changes in the way Human Resources are managed and developed, striking a balance between business needs and individual aspirations. HRM has now become a business partner and is taking key decisions not just with respect to Human Resource but businesses as a whole. It focuses on improving the way of life, work culture, employee engagement, productivity, effectiveness and efficiency. Human Resource Management is an important and focused area for the company. The success of the organization depends on the satisfaction of human needs, aspirations consistent with company's objectives. The company also lays emphasis on identifying and developing talent in the organization with a view to retain them and imparting further training to those capable of handling additional responsibilities recruits and train talented manpower enabling it to achieve its goals in effective and efficient manner. It has been priority of the company to identify, develop and retain the real talent, however, the year under consideration was full of hurdles and so many key employees severed their connection with the company

## **CAUTIONARY NOTE**

The Management Discussion and Analysis Report contain forward looking statements based on data and information available with the company. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the statements as important factors could influence the company's operations such as government policies, global/local, political and economic development, risk inherent to the company's growth and such other factors.

**For and on behalf of the Board**

**Date: 14/08/2017**  
**Place: Noida (U.P.)**

**Dr. (Maj) Naveen Chaudhri**  
**Chairman & Managing Director**



# NOIDA MEDICARE CENTRE LIMITED

## Annexure to the Directors' Report REPORT ON CORPORATE GOVERNANCE

### 1. PHILOSOPHY

The company's philosophy of corporate governance is preserving promoting core values and ethical business conduct, and is committed in maximizing the expectations of all stakeholders viz customers, patients, employees, associates and shareholders on a sustained basis, which are critical to the company's success. The basic objective of corporate governance policies adopted by the company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to comply with statutory requirements but also to go beyond them by putting into place procedures and systems which are in accordance with the best practices of governance. Your company recognizes that good governance is an ongoing exercise and reiterates its commitment to pursue highest standards of corporate governance in the overall interest of all its stakeholders.

### 2. BOARD OF DIRECTORS

#### A. Composition of the Board

The Board of Directors is at the core of the company's Corporate Governance practices and oversees how management serves and protects the long term interest of its stakeholders. It brings in strategic guidance, leadership and an independent view to the company's Management while discharging its fiduciary responsibilities, thereby, ensuring that management adheres to highest standards of ethics, transparency and disclosure.

The present strength of the Board is Five Directors. The Board comprises of executive, non-executive and woman directors who bring a broad perspective to the Board's deliberations and decisions.

The size and composition of the Board is in accordance of the requirements of the Corporate Governance Code as per Listing Agreement with the Stock Exchanges read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details relating to the directors as on 31<sup>st</sup> March 2017 are as follows.

Name of the Director	Position held in the company	Number of other directorships in companies Incorporated in India excluding Private Companies	Committee memberships in other companies*	Committee chairmanship in other companies*
Dr. (Maj) Naveen Chaudhri	Chairman & Managing Director (Promoter)	1	-	-
Mr. Udayan Arya	Non Executive – Independent Director	-		
Mrs. Meghna Arya	Non-Executive – Independent Director	-	-	-
Lt. Col. Vinod Bhargava (Retd)	Non-Executive – Rotational director	1	-	-
Mrs. Amita Chaudhri	Women director (Promoter)			
Lt. Col. Manjeet S Bedi (Retd)	Non-executive- Rotational Director			

\*Represent membership / chairmanship of Audit Committee.

None of the directors on the Board is a member in more than 10 committees and / or act as chairman as more than 5 committees across all the companies in which he is a director. The company does not have any direct pecuniary relationship / transaction with any of its Non Executive Director.

#### B. Remuneration Policy for Directors

The remuneration paid to Executive Director(s) is recommended by Remuneration Committee and approved by Board of Directors subject to the approval of shareholders in General Meeting.

Non-Executive Directors are paid sitting fees for the meetings of the Board and Committees, if any, attended by them.

The details of the Remuneration paid to the Directors for the year ended 31<sup>st</sup> March 2017 is detailed below:

(Rs. In lacs)

Name of the Director	Relationship with other directors	Remuneration paid/ payable for the year ended 31 <sup>st</sup> March 2017			
		Sitting Fee	Remuneration	Commission	Total
Dr. (Maj) Naveen Chaudhri	-	NA	32.40	-	32.40
Lt. Col. Vinod Bhargava (Retd)	-	0.10	-	-	0.10
Lt. Col. Manjeet S.Bedi (Retd)	-	0.30	-	-	0.30
Mr. Udayan Arya		0.10			0.10
Mrs. Meghna Arya		0.40			0.40
Mrs. Amita Chaudhri		0.40			0.40





# NOIDA MEDICARE CENTRE LIMITED

## C. Board Procedures

### a. Number of Board meetings held and dates on which held

▪ Number of Board Meetings held	:	4
▪ Dates on which held/called/Terminated	:	30 <sup>th</sup> May 16, 13 <sup>th</sup> August 16, 14 <sup>th</sup> November 16 and 13 <sup>th</sup> February 17

### b. Attendance details of each director at the Board Meetings and at the last AGM are setout below:

Name of the Director	Number of Board Meetings Held	Number of Board Meetings Attended	Last AGM attendance (Yes/ No)
Dr. (Maj) Naveen Chaudhri	4	4	Yes
Lt. Col. Vinod Bhargava (Retd)	4	1	No
Lt. Col. Manjeet S. Bedi (Retd)	4	3	Yes
Mr. Udayan Arya	4	1	No
Mrs Amita Chaudhri	4	4	Yes
Mrs. Meghna Arya	4	4	Yes

### c. Availability of information to the members of the Board

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable, following information is placed before the Board.

- Annual operating plans and budgets and any updates thereto.
- Capital expenditure plan and any updates.
- Quarterly results for the Company and its operating divisions or business segments.
- Minutes of Meetings of Audit, Risk & Management Committee and other Committees of the Board.
- The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company, or substantial non -payment for services rendered by the company.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant Labour Problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

### d. Statutory Compliances

The Board periodically reviews the mechanism put in place by the Management to ensure the compliances with Laws and Regulations as may be applicable to the Company as well as the steps taken by the Company to rectify the instances of non-compliances, if any.

### e. Code of Conduct

The Board has prescribed a Code of Conduct ("Code") for all employees of the Company including Senior Management and Board Members, which covers the transparency, behavioral conduct, a gender friendly work place, legal compliance and protection of the Company's property and information.

All employees including Senior Management and Board Members have confirmed the compliance with the Code for the financial year 2016-17. A declaration to this effect signed by the Chairman & Managing Director of the Company is provided elsewhere in this Report.

## 3. BOARD COMMITTEES

The company has constituted various committees in order to comply with applicable Laws, Rules and Regulations made thereunder.

### a. Audit Committee

The Company has an Audit Committee, the terms of reference of which includes the matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as those specified in section 177 of the Companies Act, 2013 and include the reviewing of quarterly, half-yearly and annual financial statements before submission to the Board, ensure compliance of internal control systems and internal audit, timely payment of statutory dues and other matters.

During the year under review, 4 meetings of the committee were held on 30<sup>th</sup> May 16, 13<sup>th</sup> August 16, 14<sup>th</sup> November 16 and 13<sup>th</sup> February 17. The composition of committee and attendance at its meetings is given below:



# NOIDA MEDICARE CENTRE LIMITED

Name of Director	Category	Number of Meetings Attended
Lt (Col) Vinod Bhargava (Retd)	Non Executive	-
Lt. Col. Manjeet S. Bedi (Retd)	Non Executive	3
Mr. Udayan Arya	Non Executive – Independent	1
Mrs. Meghna Arya	Non Executive – Independent	4

The meetings of the Audit Committee are attended by internal auditors, Chief Financial Officer and operation heads are invited to the meetings. The Company Secretary acts as Secretary to the Committee.

## Powers of the Audit Committee

The powers of the Audit Committee include the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary

## Functions of the Audit Committee

The role of the Audit Committee includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
  - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
  - Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  - Reviewing, with the management, performance of the statutory and internal auditors and adequacy of the internal control systems.
  - Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
  - Discussing with internal auditors any significant findings and follow up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
  - To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
  - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  - The Audit Committee shall mandatorily review the following information:-
    - Management discussion and analysis of financial condition and results of operations.
    - Statement of significant related party transactions (as defined by the audit committee and submitted by management)
    - Management letters / letters of internal control weaknesses issued by the statutory auditors.
    - Internal audit reports relating to internal control weaknesses; and
  - The appointment/removal and terms of remuneration of the Internal Auditors shall be subject to review by the Audit Committee.
  - In addition to the areas noted above, the audit committee looks into controls and security relating to the Company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centers and deviations from the code of business principle, if any.

## b. Nomination & Remuneration Committee

The Scope of the Nomination & Remuneration Committee includes the following:

1. To submit recommendations to the Board with regard to -