

PRICELESS!

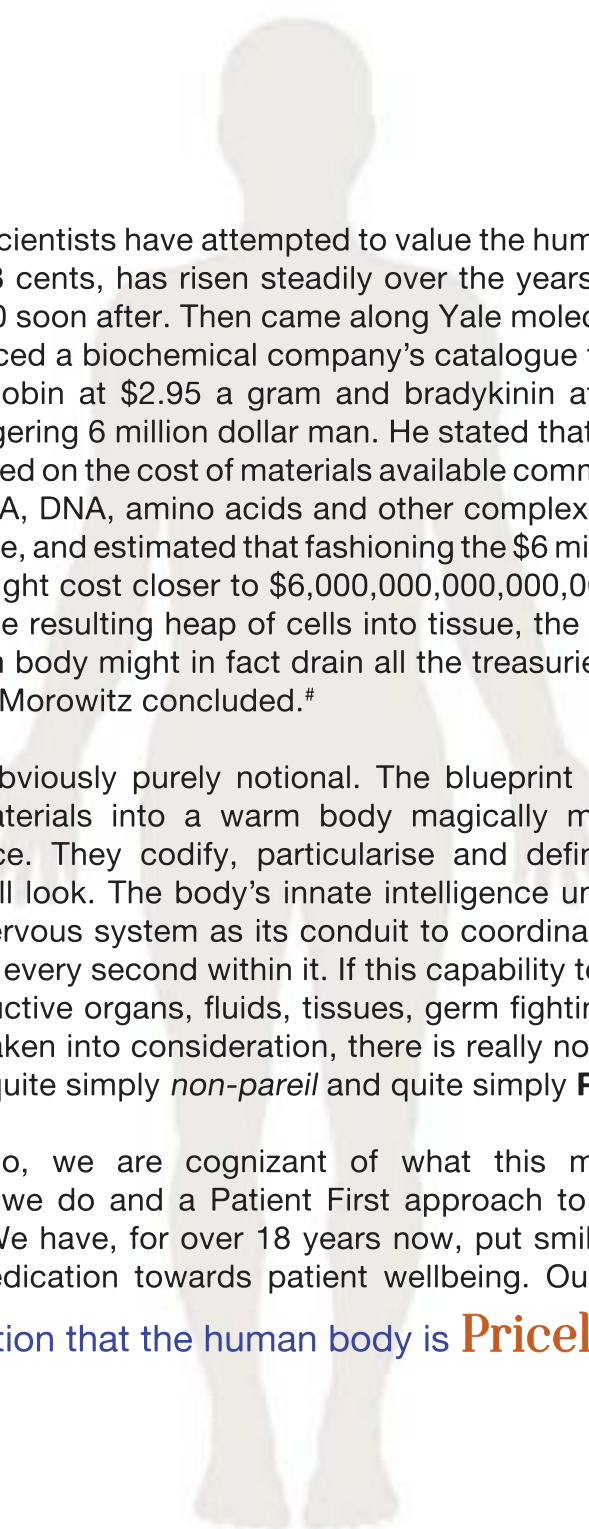
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R e p o r t

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**INDRAPRASTHA MEDICAL CORPORATION LIMITED**

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Over the years, many scientists have attempted to value the human body. The tag, once upon a time a mere 98 cents, has risen steadily over the years from \$3.50 in 1972 to \$5.60 in 1976 and \$650 soon after. Then came along Yale molecular biologist, Harold J Morowitz, who referenced a biochemical company's catalogue that priced synthesized materials like haemoglobin at \$2.95 a gram and bradykinin at \$12,000 a gram, and came up with the staggering 6 million dollar man. He stated that the dollar number was merely a deduction based on the cost of materials available commercially-the hormones, proteins, enzymes, RNA, DNA, amino acids and other complex bio-chemicals that are the building blocks of life, and estimated that fashioning the \$6 million chemical shopping list into human cells might cost closer to \$6,000,000,000,000,000 (six thousand trillion dollars). Assembling the resulting heap of cells into tissue, the tissue into organs, and the organs into a warm body might in fact drain all the treasuries of the world, with no guarantee of success, Morowitz concluded.<sup>#</sup>

Such valuations are obviously purely notional. The blueprint and the savoir faire to assemble the raw materials into a warm body magically materialize the moment conception takes place. They codify, particularise and define how that body will function and how it will look. The body's innate intelligence unfolds and stays with it every day using the nervous system as its conduit to coordinate the massive number of functions that occur every second within it. If this capability together with the body's parts-vital and reproductive organs, fluids, tissues, germ fighting capabilities, its DNA and its emotions are taken into consideration, there is really no justifiable price tag for the human body. It is quite simply *non-pareil* and quite simply **Priceless**.

At Indraprastha Apollo, we are cognizant of what this means. The pursuit of excellence, in all that we do and a Patient First approach to healing underpins our health care practice. We have, for over 18 years now, put smiles on millions of faces with this sustained dedication towards patient wellbeing. Our motivation is simple.

It lies in our recognition that the human body is **Priceless**.

<sup>#</sup> As reported in The New York Times, 11<sup>th</sup> February, 1976, "The High Cost of Being Human"—Harold J Morowitz

## Message



Dear Shareholders,

**Priceless** - the word is immediately associated with things of immeasurable value or inestimable worth. One always uses the word with reference to resources, which by definition are precious and scarce and therefore have to be managed with utmost reverence and care.

While many people would ascribe this word to things like a work of art or a precious stone, and a few to resources like oil or for that matter water, seldom does one realise that probably the most precious thing on the surface of earth is the human body.

I'm talking about your own individual health and the need to take care of it; it is your most precious resource apart from the time given to you, another precious resource, which is again finite. So the need to handle them both with utmost care cannot be over-emphasised.

It is human nature to take for granted things that are gifted to us. It is only when a resource becomes neglected or is taken for granted, that it is missed

and its absence regretted.

Health is preserved and gained through a delicate combination of holistic practices such as a healthy mind, a balanced lifestyle, proper eating and soulful work. The preciousness and value of all life and especially human life is truly priceless. We need to be aware of this at every moment and also tell those around us. Health can be lost due to a variety of reasons and to preserve it, there are certain things which should be done: namely, stopping smoking, eating sensibly, getting enough exercise, adopting a holistic lifestyle through practice of yoga and meditation and getting a health check done regularly—a very small price to pay, for your priceless body.

I have personally witnessed, in the course of my profession, the value of getting to know the state of one's health through a timely health check. It gives one the power to manage health in a conscious manner and saves a lot of unnecessary effort, time and money; and it could perhaps save one's life as well. In grave conditions as cancer, early detection could well mean the difference between life and death. I can state emphatically that certain cancers, if detected early, can be cured. At Apollo, we have done it repeatedly.

Non-Communicable Diseases (NCDs) represent a new frontier in the fight to improve global health. NCDs affect the developing world and the lower-income populations the hardest. NCDs are estimated to account for nearly 75% of all global deaths. India alone accounts for 17% of these. This high burden poses a substantial threat to India's socio economic development, with a potential cumulative loss of US \$6.2 trillion by 2030 – nearly 3.5 times our current GDP!

Global experience, has demonstrated that interventions aimed at prevention and early diagnosis are the most cost effective means for NCDs' control, especially in developed markets. There is clear evidence linking reductions in cardiovascular and diabetes related morbidity and mortality to focus on initiatives such as large scale awareness campaigns, lifestyle interventions, screening programmes and medication for high-risk groups. It is critical to recognize that many risk factors of NCDs (unhealthy diet, physical inactivity, tobacco use, alcohol abuse) are controllable with right individual action. The challenge for India is to

create a mindset where individuals see healthy living as an essential investment rather than as an expense. As caregivers, we at Apollo take this responsibility very seriously while we continue to focus on providing best-in-class medical treatment across all specialties of care. Be it Cardiology, Oncology, Orthopedics, or Neuro-sciences, we provide the same emphasis on creating a culture of health and wellness as with care and sickness.

Be it branching out from primary clinics to Sugar clinics or moving away from “Preventive health checks” to “Personalised health checks”, we have always tried to detect the disease or its symptoms early so that they can either be cured through treatment or controlled through medication.

Our focus since inception has been on right diagnosis and accurate treatment planning before getting into the actual treatment itself and we continue to invest in some of the best technologies available on this front across all our hospitals. We continuously aim at improving our standards of clinical care to ensure all our hospitals deliver safe and quality care to patients, irrespective of location and size through The Apollo Standards of Clinical Care (TASCC) which embodies a set of process requirements and outcome measures that underlie the Apollo Hospitals approach to clinical care.

For us, the patient is at the centre of whatever we do or plan for, and patient care is the reason for your company's existence, a very precious resource for the patient.

Our investment in some of the best technologies like the Da-Vinci Robot for minimally invasive surgeries, the G-Scan Standing MR etc. are steps towards ensuring that we provide to our patients care comparable to the best in the world.

This year saw us scaling up our clinical value proposition across multiple specialties. The Hospital continued its leadership in Solid Organ Transplants, with a record 952 Kidney & Liver Transplants being conducted in 2013. This performance has ensured that Indraprastha Apollo is today the busiest standalone organ transplant centre in the world. The hospital also commissioned the Apollo Obesity and Metabolic Surgery (Bariatric surgery) Centre. The centre is aimed at holistic healthcare solutions for patients dealing with obesity & metabolic syndromes.

Specialty clinics like the Pain Clinic for integrated and comprehensive pain management and the Sugar Clinic for holistic management of Diabetes and its associated complications was launched in this year. EBUS or Endo-bronchial Ultrasound service was introduced this

year which uses ultrasound along with a bronchoscope to visualize airway walls and structures adjacent to it.

The hospital also achieved yet another milestone by becoming the first hospital in the country to be accredited by Joint Commission International (JCI) for a record 4th time. The hospital was the first in India to be accredited by JCI in 2005 and received subsequent reaccreditations in 2008 and 2011. The five-day survey culminated in the Surveyor's Report that noted that the hospital scored an average of 9.9605 out of 10 on all measurable elements. Also, the Apollo Hospitals Noida got the prestigious National Accreditation Board for Hospital (NABH) accreditation this year.

We on our part fully realize that apart from our patient care focus, what is priceless to us as an organization, is our medical and professional manpower, all our employees as well as our shareholders' capital which needs to earn a return over a specified time period.

This certainly could not happen without the contribution of each one of our employees, our engaged workforce, in recognition of which we have been awarded the Gallup Great Places to Work Award (GGWA) for 2014. This award places the Apollo Group amongst the top few organizations globally on workplace engagement – making it one of the best places to work globally. This recognition is awarded to Organizations that have performed exceptionally in engaging their workforce and leveraging that strength to drive business results and sustainable growth.

As I end this note, I would like to reiterate that Apollo will work together with the new Government on these 21<sup>st</sup> century health challenges to try and create a unified Public Private Partnership framework based on the guiding principles of effectiveness, efficiency and equity.

I wish to conclude by stating that, by getting a health check done, you are taking care of the two most important and scarcest resources in your life, time and health. It is time well spent. Please pass this message on to everyone you touch.

I wish you and your families all the very best of health and thank each and every stakeholder for their continued support, confidence and trust.

With warm personal regards and in anticipation of an even better future.

**Dr. Prathap C. Reddy**  
Founder-Apollo Hospitals Group

## Indraprastha Medical Corporation Limited

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### Board of Directors

<b>Chairman</b>	: Mr. S. K. Srivastava
<b>Vice Chairman</b>	: Dr. Prathap C. Reddy
<b>Managing Director</b>	: Mr. Jaideep Gupta
<b>Directors</b>	: Dr. B. Venkataraman Mr. Deepak Vaidya Dr. M. M. Kutty Prof. Ranjit Roy Chaudhury Ms. Renu S. Karnad Mr. S. C. L. Das Mr. Satnam Arora Mr. S. Regunathan Ms. Shobana Kamineni Ms. Suneeta Reddy Mr. T. S. Narayanasami Prof. V. N. Rajasekharan Pillai

<b>Vice President cum Company Secretary</b>	: Mr. Ajay Kumar Singhal
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<b>Chief Financial and Operating Officer</b>	: Mr. P. Shivakumar
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<b>Registered Office &amp; Hospital Complex</b>	: Sarita Vihar, Delhi-Mathura Road, New Delhi – 110 076.
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<b>Hospital at Noida</b>	: Apollo Hospitals, E-2, Sector-26, Noida – 201 301.
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<b>Auditors</b>	: M/s S. C. Vasudeva & Co., Chartered Accountants, New Delhi
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<b>Bankers</b>	: Oriental Bank of Commerce, IndusInd Bank Limited
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## **NOTICE**

Notice is hereby given that the twenty-sixth Annual General Meeting of members of Indraprastha Medical Corporation Limited will be held on Tuesday, 30th September, 2014, at 10.30 a.m. at FICCI K. K. Birla Auditorium, 1, Tansen Marg, New Delhi – 110 001, to transact the following business:

### **ORDINARY BUSINESS:**

#### **Item No. 1 – Adoption of financial statements.**

To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March, 2014, the Reports of the Board of Directors and Auditors thereon.

#### **Item No. 2 – Declaration of Dividend**

To declare a dividend on equity shares for the financial year ended 31st March, 2014.

#### **Item No. 3 – Appointment of Director**

To appoint a Director in place of Ms. Suneeta Reddy (holding DIN 00001873), who retires by rotation and being eligible, offers herself for re-appointment.

#### **Item No. 4 – Appointment of Director**

To appoint a Director in place of Ms. Shobana Kamineni (holding DIN 00003836), who retires by rotation and being eligible, offers herself for re-appointment.

#### **Item No. 5 – Appointment of Auditors**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. S. C. Vasudeva & Co., Chartered Accountants (Firm Registration No. 000235N), be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration of ₹ 16.00 lakhs plus service tax as applicable and reimbursement of out of pocket expenses.”

### **SPECIAL BUSINESS**

#### **Item No. 6**

#### **Appointment of Mr. S. K. Srivastava as a Director**

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION:

“RESOLVED THAT Mr. S. K. Srivastava (holding DIN: 01658754) be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation.”

#### **Item No. 7**

#### **Appointment of Dr. M. M. Kutty as a Director**

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

“RESOLVED THAT Dr. M. M. Kutty (holding DIN: 01943083) be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation.”

#### **Item No. 8**

#### **Appointment of Prof. V. N. Rajasekharan Pillai as an Independent 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Prof. V. N. Rajasekharan Pillai (holding DIN: 02415889), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Prof. V. N. Rajasekharan Pillai as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years effective from 1st April, 2014 to 31st March, 2016, not liable to retire by rotation.”

#### **Item No. 9**

#### **Appointment of Dr. B. Venkataraman as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Dr. B. Venkataraman (holding DIN: 00040114), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the

Companies Act, 2013, signifying his intention to propose Dr. B. Venkataraman as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years effective from 1st April, 2014 to 31st March, 2016, not liable to retire by rotation.”

### **Item No. 10**

#### **Appointment of Prof. Ranjit Roy Chaudhury as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Prof. Ranjit Roy Chaudhury (holding DIN: 02417722), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Prof. Ranjit Roy Chaudhury as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for two consecutive years effective from 1st April, 2014 to 31st March, 2016, not liable to retire by rotation.”

### **Item No. 11**

#### **Appointment of Mr. Deepak Vaidya as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Deepak Vaidya (holding DIN: 00337276), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Deepak Vaidya as a candidate for

the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years effective from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.”

### **Item No. 12**

#### **Appointment of Mr. T. S. Narayanasami as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. T. S. Narayanasami (holding DIN: 01786981), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. T. S. Narayanasami as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years effective from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.”

### **Item No. 13**

#### **Appointment of Mr. S. Regunathan as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. S. Regunathan (holding DIN: 00286505), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. S. Regunathan as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of



the Company to hold office for five consecutive years effective from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.”

#### **Item No. 14**

#### **Appointment of Mr. Satnam Arora as an Independent Director**

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder {including any statutory modification(s) or re-enactment thereof for the time being in force} read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Satnam Arora (holding DIN: 00010667), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Satnam Arora as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years effective from 1st April, 2014 to 31st March, 2019, not liable to retire by rotation.”

#### **Item No. 15**

#### **Re-Appointment of Mr. Jaideep Gupta as Managing Director**

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

“RESOLVED THAT subject to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the Company hereby accords its approval for the re-appointment of Mr. Jaideep Gupta (holding DIN: 02647974) as Managing Director of the Company for a period of two year w.e.f. 30th April, 2014, on the terms and conditions as set out in the employment agreement including remuneration as given below:-

#### **A. Salary**

- a) Basic Salary Rs. 5,31,300/- (Rupees Five Lakhs Thirty One Thousand Three Hundred

only) per month. Annual increment shall be allowed as may be decided by the Board.

- b) Performance bonus as may be decided by the Board, for each financial year or part thereof, subject to a ceiling of 35% of the annual Basic Salary.

#### **B. Perquisites & Allowances**

- a) Rent free accommodation. In case of no residential accommodation is provided by Company, House Rent allowance @ 10% of basic salary shall be allowed.
- b) Free use of Company's maintained car with driver for official and personal use.
- c) Fees of one club. Admission and life membership fees shall not be allowed.
- d) Reimbursement of Professional membership fee.
- e) Leave Travel Allowance once in a year for self and family, as per the rules of the Company.
- f) Reimbursement of medical expenses for self and family, as per the rules of the Company.
- g) Health Insurance Premium for self and family, as per the rules of the Company.
- h) Group Personal Accident Insurance premium, as per the rules of the Company.
- i) Contribution to Provident Fund as per the rules of the Company.
- j) Free Telephone facility at residence and Mobile Phone.
- k) Leaves as per the rules of the Company. Leave accumulated but not availed of, can be encashed at the end of the tenure.
- l) Gratuity as per the rules of the Company.

#### **C. Others**

No further resolution or consent or reference to the members shall be required for the increase in remuneration on annual increment provided the overall remuneration is within the limits laid down in schedule V of the Companies Act, 2013.

#### **D. Minimum Remuneration**

In the absence or inadequacy of profits in any financial year during the currency of tenure of the Managing Director, the Company shall pay the above-mentioned amount of remuneration and benefits to Mr. Jaideep Gupta as 'Minimum Remuneration'.

## Item No. 16

### Alteration of Articles of Association

To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 14 of the companies Act, 2013, the Articles of Association of the Company be and is hereby altered as under:-

The Article 97 be substituted by the following:-

“The number of directors shall not be less than six and more than eighteen.”

## Item No. 17

### Revision in the borrowing limits of the Company up to a sum of ₹ 225 crores (Rupees Two Hundred and Twenty Five Crores)

To consider and if thought fit, to pass with or without modification, the following as a SPECIAL RESOLUTION:

“RESOLVED THAT in supersession of the Ordinary Resolution adopted at the Annual General Meeting held on 15th September, 1995, and pursuant to the provisions of Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time all such sums of money as they may deem requisite for meeting the financial requirements relating to business and capital expenditure of the Company including future expansion, from time to time notwithstanding that monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which monies, may be borrowed shall not exceed, in aggregate the sum of ₹ 225 crores (Rupees Two Hundred and Twenty Five Crores) at any time.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary,

proper, desirable or expedient to give effect to this resolution.”

## Item No. 18

### Mortgaging the assets of the Company in favour of Financial Institutions, Banks and other lenders for securing their loans up to a sum of ₹ 225 crores (Rupees Two Hundred and Twenty Five Crores).

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Section 180(1) (a) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors for mortgaging, hypothecating and/ or charging of all the immovable and movable properties of the Company where so ever situate, present and future, and/or conferring power, to enter upon and to take possession of assets of the Company in certain events, to or in favour of the lenders, banks and financial institutions(hereinafter referred to as the “Lenders”) to secure the financial assistance provided/to be provided by them to the Company together with and all other monies payable by the Company to the Creditors under the loan agreements/ letters of sanction/ memorandum of terms and conditions entered into/to be entered into by the Company in respect of the said financial assistance not exceeding in the aggregate a sum of ₹ 225 crores (Rupees Two Hundred and Twenty Five crores) at any point of time.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to finalise with the Lenders, the documents for creating the aforesaid mortgage(s), hypothecation(s) and/or the charge(s) and to do all such acts deeds and things as may be necessary for giving effect to the above resolution.”

“RESOLVED FURTHER THAT the mortgage(s)/ charge(s) / hypothecation(s) created/ to be created and/or all agreements/ documents executed/ to be executed and all acts done by and with the authority of the Board of Directors be and are hereby confirmed and ratified.”

## Item No. 19

### Payment of Remuneration to the Non-Executive Directors including Independent Directors of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:-

“RESOLVED THAT in supersession of the Special Resolution adopted at the 24th Annual General Meeting held on 14th September, 2012, and in conformity with the provisions of the Articles of Association of the Company and pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of remuneration by way of commission to the Non-Executive Directors including Independent Directors of the Company, for each financial year over a period of five (5) financial years with effect from 1st April 2014, and distributed between such Directors in such manner as the Board of Directors may, from time to time determine and premium for health insurance of the Non-Executive Directors including Independent Directors and their spouses, within the overall maximum limit of 1% (one percent) of the net profits of the Company to be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

“RESOLVED FURTHER that the above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.”

#### **Item No. 20**

#### **To approve the Remuneration of the Cost Auditors for the year ending 31st March, 2015.**

To consider and if thought fit, to pass with or without modification, the following as a ORDINARY RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 148 and its related and applicable provisions of the Companies Act, 2013, read with the Companies ( Audit and Auditors) Rules, 2014 ( including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Devarajan Swaminathan and Co. – Cost Accountants, (Firm Registration No 100669), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the year ending 31st March, 2015, at a remuneration of ₹ 5.00 lakhs plus service tax as applicable and reimbursement of out of pocket expenses, be and is hereby ratified and confirmed.”

#### **Item No. 21**

#### **Post Facto approval in terms of the Central Government approval no.4/435/T-1/2013/D/7193 dated 18-10-2013, for entering into contract for availing of Biomedical Engineering Services from M/s Faber Sindoori Management Services Private Limited**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Section 297 of the erstwhile Companies, Act, 1956, and approval of the Central Government no. 4/435/T-1/2013/D/7193 dated 18-10-2013, and other applicable provisions, if any, consent of the members be and is hereby given to the contract entered into by the Company with M/s Faber Sindoori Management Services Private Limited (FSMS), for availing of Biomedical Engineering Services from FSMS, for a period from 04-09-2013 to 03-09-2014, as per the terms and conditions set out in the agreement entered in to with FSMS and the value of contract not exceeding ₹ 28 lakhs plus service tax, per month.

RESOLVED FURTHER THAT the consent of the members be and is hereby given to the effect that:

- (a) the contract entered into by the Company with M/s Faber Sindoori Management Services Private Limited (FSMS) for availing of Biomedical Engineering Services from FSMS, is competitive, at arm's length without conflict of interest and is not less advantageous to it as compared to similar contracts with other parties and the company has not made any default u/s 297 in the past and there is no default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheet and Annual Returns with the Registrar of Companies;
- (b) the contract is falling within the provisions of section 297 of the Act and provisions of section 198, 269, 309, 314 and 295 of the erstwhile Companies Act, 1956, are not applicable in the contract; and
- (c) the company and its directors have complied with the provisions of section 173, 287, 299, 300, 301 and other applicable provisions of the erstwhile Companies Act, 1956, with regard to the contract. “

**By order of the Board  
for Indraprastha Medical Corporation Limited**

**Place: New Delhi  
Date: 25th July, 2014**

**Ajay Kumar Singhal  
Vice President cum  
Company Secretary**

### NOTES:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business as set out above is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. A proxy need not be a member of the Company. The instrument appointing the proxy shall be deposited at the Registered Office of the Company at Sarita Vihar, Delhi-Mathura Road, New Delhi – 110 076, not less than 48 hours before the commencement of the meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing is given to the Company.
4. Members/Proxies should bring the duly filled in attendance slip enclosed herewith to attend the meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 20th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
6. Dividend, if declared, will be paid to those members whose names appear :-
  - a) as Members on the Register of Members of the Company as on 30th September, 2014, after giving effect to all valid share transfers in physical form lodged with the Company up to the closing hours of business on 19th September, 2014, and
  - b) as Beneficial owners as per the Statement of Beneficial Ownership to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in dematerialized form as at the closing hours of business on 19th September, 2014.

7. Members desiring any information as regards the accounts are requested to write to the Company at least seven days before the meeting so as to enable the management to keep the information available.
8. Pursuant to the provisions of Section 205A(5) and 205C of the erstwhile Companies Act, 1956, the Company has transferred all unpaid or unclaimed dividend for the financial years ended 31st March, 2001 to 31st March, 2006, to the Investor Education and Protection Fund (IEP Fund) of the Central Government.  
Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend amount lying with the Company as on 26th September, 2013 (date of last Annual General Meeting) on the website of the Company, as also on the website of the Ministry of Corporate Affairs.
9. Pursuant to the provisions of Section 205 A (5) of the erstwhile Companies Act, 1956, as amended, dividend for the financial year ended 31st March 2007 and thereafter, which remains unclaimed for a period of 7 years from the date of transfer of the same to the unclaimed dividend account as referred to in sub-section (1) of Section 205A of the Act, will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2007 or subsequent financial years are requested to make their claim to the Secretarial Department, Sarita Vihar, Delhi-Mathura Road, New Delhi – 110 076. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund as above, no claim shall lie in respect thereof.
10. Members holding shares in physical form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd., 44 Community Centre, 2nd floor, Naraina Industrial Area Phase I, Near PVR, Naraina , New Delhi – 110 028 :-
  - (a) Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
  - (b) Changes, if any, in their address at an early date.
  - (c) Application for consolidation of folios, if shareholdings are under multiple folios.



- (d) Despatch of share certificates for consolidation.
  - (e) Request for nomination forms for making nominations as per the provisions of the Companies Act.
11. Members are requested to quote ledger folio numbers in all their correspondence.
  12. Members holding shares in dematerialized form (electronic form) are requested to intimate any changes in their respective addresses, bank mandates etc., directly to their respective Depository Participants.
  13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrars and Share Transfer Agents, M/s. Link Intime India Pvt. Ltd.
  14. National Electronic Clearing Service (NECS) Facility:  
With respect to payment of dividend, the Company provides the facility of NECS to the shareholders wherever is available.  
Shareholders holding shares in physical form who now wish to avail NECS facility, are requested to forward their NECS mandate in the prescribed form to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd.
  15. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
  16. Electronic copies of the Annual Report for the year ended 31st March 2014, and electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form, are being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not

registered their email addresses, physical copies of the Annual Report and Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

17. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website [www.apollohospdelhi.com](http://www.apollohospdelhi.com) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during the normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [imclshares@apollohospitals.com](mailto:imclshares@apollohospitals.com).

#### 18. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

#### The instructions for e-voting are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric - PAN issued by Income Tax Department</p> <p>(Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field.</li> <li>Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 22nd August, 2014, in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for "Indraprastha Medical Corporation Limited" to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com>

and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same..
- (A) The voting period begins on 23rd September, 2014 (9.00 a.m.) and ends on 25th September, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 22nd August, 2014 (cut-off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The e-voting period commences on 23rd September, 2014 (9.00 a.m.) and ends on 25th September, 2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on 22nd August, 2014 (cut-off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd August, 2014 (cut-off date).

- IV. The Company has appointed Mr. Baldev Singh Kashtwal, Practicing Company Secretary (Membership No. – FCS 3616 & Certificate of Practice No. – 3169), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.apollohospdelhi.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE / BSE Limited.

#### **INFORMATION REQUIRED TO BE FURNISHED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES**

The particulars of the Directors who are proposed to be appointed / re-appointed are as given below:

<b>1. Name</b>	<b>: MS. SUNEETA REDDY</b>
<b>Age</b>	: 55 years
<b>Qualifications</b>	: Bachelor of Arts in Economics, Public Relations and Marketing, Diploma in Financial Management and completed the Owner / President Management Program at Harvard Business School, Boston (USA).

**Expertise:** Ms. Suneeta Reddy holds the position of Managing Director of Apollo Hospitals Enterprise Limited - one of the leading healthcare organization in the World with over 8250 beds across 50 locations.

During her 30 year tenure, Ms. Reddy spearheaded many initiatives in the healthcare, hospitality and is an active member of industry bodies representing the healthcare sector. She is widely recognized for her contribution to the Indian healthcare industry and has held leadership positions including Co-Chairperson of Healthcare Sub Committee

# Indraprastha Medical Corporation Limited

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- Confederation of Indian Industry (CII) and a member in National Committee on Healthcare.

## **Outside Directorship :**

Aircel Limited  
Aircel Cellular Ltd.  
Dishnet Wireless Ltd  
Apollo Hospitals Enterprise Limited  
Apollo Sindoori Hotels Ltd.  
Apollo Gleneagles Hospitals Ltd  
Apollo Munich Health Insurance Company Ltd  
Imperial Hospital & Research Centre Ltd.  
Vasumathi Spinning Mills Ltd.  
Aircel Smart Money Limited  
Indian Hospitals Corporation Ltd.  
Apollo Hospitals (UK) Ltd.  
Universal Quality Services LLC.  
Sindya Resources Pvt. Ltd.  
Kalpatharu Infrastructure Development Co. Pvt. Ltd  
Western Hospitals Corporation Private Ltd  
Deccan Digital Networks Private Ltd.  
Sindya Infrastructure Development Company Pvt.Ltd.  
Sindya Builders Private Limited  
Tharani Energy India Pvt Ltd  
Faber Sindoori Management Services Pvt Ltd  
Health Superhiway Private Ltd  
Helios Holdings Private Ltd.  
Garuda Energy Private Ltd.  
Sirkazhi Port Private Ltd  
Garuda Thermal Power Pvt. Ltd.

## **Membership of Committees of the Board of other Companies :**

Stakeholders Relationship – Apollo Hospital Enterprises Ltd. – Member  
Audit - Apollo Gleneagles Hospitals Ltd – Member  
Audit - Imperial Hospital & Research Centre Ltd. – Member  
Investor - Apollo Munich Health Insurance Co. Ltd. – Chairperson

## **Shareholding in the Company : 1,38,293 Shares**

<b>2. Name</b>	<b>: MS. SHOBANA KAMINENI</b>
<b>Age</b>	<b>: 54 years</b>
<b>Qualifications</b>	<b>: Bachelor of Arts in Economics, Hospital Administration Diploma from Columbia University, New York (USA).</b>

**Expertise :** Ms. Shobana Kamineni holds the position of Executive Vice-Chairperson of Apollo Hospitals Enterprise Limited – one of the leading healthcare organisation in the world with over 8250 beds across 50 locations. As an Executive Director, she heads special initiatives, including building Apollo Hospital Chennai, Hyderabad & Delhi, early in her career. Currently, she leads high trajectory business such as Apollo Pharmacy (India's largest Retail Pharmacy chain), AHERF- Research in Stem cells, clinical trials includes India's most advanced facility for Phase 1 study with Quintiles. Founded Apollo-Munich Health Insurance one of India's leading specialised Insurance companies, JV with Munich Re.

She was the 1st women Chairperson of CII Southern Region. Currently, she is passionate about the Apollo Hospital's Group initiative to promote "Billion Hearts Beating" a non profit trust dedicated to educate and inform Indians how to prevent heart disease. Over 3,50,000 individuals have taken a pledge on [www.billionheartsbeating.com](http://www.billionheartsbeating.com) reaffirming their commitment to stay heart-healthy.

## **Outside Directorship :**

Apollo Hospitals Enterprise Ltd  
Apollo Munich Health Insurance Company Ltd  
Apollo Energy Company Ltd.  
Apollo Health Resources Limited.  
Apollo Home Health Care Ltd.  
Apollo Lavasa Health Corporation Ltd.  
Apollo Mumbai Hospital Ltd.  
Apollo Sindoori Hotels Ltd.  
Lifetime Wellness Rx International Ltd.  
PCR Investments Ltd.  
Kei Energy Pvt. Ltd.  
Kamineni Builders Pvt. Ltd.  
Kei Rajamahendri Resorts Pvt. Ltd.  
Kei Vita Private Ltd.  
Keimed Private Limited  
KEI-RSOS Petroleum and Energy Private Ltd.  
KEI- RSOS Shipping Private Ltd.  
LNG Bharat Private Ltd  
Matrix Agro Private Ltd.  
Peninsular Tankers Private Ltd.  
TRAC Eco & Safari Park Private Limited  
TRAC India Private Ltd  
Apollo Hospital (UK) Limited  
British American Hospitals Enterprise Ltd.

## Membership of Committees of the

### Board of other Companies :

Audit - Apollo Munich Health Insurance Company Ltd - Member

**Shareholding in the Company :** 1,16,918 Shares

**3. Name :** MR. S. K. SRIVASTAVA  
**Age :** 57 Years  
**Qualifications :** M.Sc. (Botany), LL.B. & MBA

**Expertise:** Mr. S. K. Srivastava is a member of the Indian Administrative Service, 1980 batch (AGMUT) Cadre. He has extensive experience in public administration, has held several senior posts in the State Government and in the Government of India during 34 years of service and is presently posted as Chief Secretary, Government of NCT of Delhi. He has served as Joint Secretary, Ministry of Food and Public Distribution, Government of India, Chief Secretary (Goa) and Special Secretary and Financial Advisor, Ministry of Health and Family Welfare, Government of India. He has also held the post of Vice-Chairman, Delhi Development Authority.

Mr. S. K. Srivastava, Chief Secretary (Delhi) is Post Graduate in Botany and Law graduate from Allahabad University. Further, he did his MBA from Southern Cross University, Lismore, Australia with distinction.

### Outside Directorship:

Delhi Integrated Multi Model Transit System Ltd.  
Geospatial Delhi Ltd.  
Delhi Metro Rail Corporation Ltd.  
TATA Power Delhi Distribution Ltd.  
BSES Rajdahani Power Ltd.  
BSES Yamuna Power Ltd.  
National Capital Region Transport Corporation Ltd,

## Membership of Committees of the

### Board of other Companies : None

**Shareholding in the Company : Nil**

**4. Name :** DR. M. M. KUTTY  
**Age :** 54 Years  
**Qualifications :** M.A. , M.Sc., Ph.D

**Expertise:** Dr. M. M. Kutty is an IAS officer of 1985 batch. He has extensive experience in public administration and has held several senior posts in U. T. Government, State Government and Government of India During last 29 years of service. He is presently posted as Principal

Secretary (Finance & Planning), Government of NCT of Delhi.

Dr. M. M. Kutty is also Discharging the responsibility of Principal Secretary (Vigilance) Government of NCT of Delhi.

### Outside Directorship:

BSES Rajdahani Power Ltd.  
BSES Yamuna Power Ltd.  
Delhi Cooperative Housing Finance Corporation.  
Delhi Financial Corporation  
Delhi Integrated Multi Model Transit System Ltd.  
Delhi Metro Rail Corporation Ltd.  
Delhi State Civil Supplies Corporation.  
Delhi State Industrial & Infrastructure Development Corporation Ltd.  
Delhi Tourism & Transportation Development Corp.  
Delhi Transport Corporation.  
Geospatial Delhi Ltd.  
Shahjahanabad Redevelopment Corporation.  
TATA Power Delhi Distribution Ltd.

## Membership of Committees of the

### Board of other Companies:

Audit - BSES Rajdahani Power Ltd. - Member  
Audit - BSES Yamuna Power Ltd. - Member  
Audit - Delhi Financial Corporation - Chairman  
Audit - Delhi Integrated Multi Model Transit System Ltd. - Chairman  
Audit - Delhi Metro Rail Corporation Ltd. - Member  
Audit - Delhi State Civil Supplies Corporation. - Member  
Audit - Delhi Tourism & Transportation Development Corp. - Chairman  
Audit - Geospatial Delhi Ltd. - Chairman  
Audit - TATA Power Delhi Distribution Ltd. - Member

**Shareholding in the Company : Nil**

**5. Name :** PROF. V. N. RAJASEKHARAN PILLAI  
**Age :** 65 years  
**Qualifications :** M. Sc. (Chemistry)

**Expertise:** Prof. V. N. Rajasekharan Pillai has been at the helm of affairs of many higher education institutions and possesses experience in the field of science and educational administration for over 40 years. He has widely traveled all over the world and has presented papers & given lectures in a large number of National and International conferences, Universities and Institutions.

## Indraprastha Medical Corporation Limited

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Presently, Prof. V. N. Rajasekharan Pillai is the Executive Vice President, Kerala State Council for Science Technology & Environment. Earlier, he was the Vice-Chancellor of Indira Gandhi National Open University (IGNOU), New Delhi.

Prof. Pillai has been decorated / conferred with numerous honours & awards including Presidential Gold Medal of the Indian Science Congress, Triennial National M. V. Pylee Award for the Top Academician of India, Indian Chemical Society Award for research achievements in Chemical Sciences and Honorary Doctorates.

**Outside Directorship : Nil**

**Membership of Committees of the**

**Board of other Companies : None**

**Shareholding in the Company : Nil**

**6. Name : DR. B. VENKATARAMAN**

**Age : 88 years**

**Qualifications : IAS (Retd.)**

**Expertise:** Dr. B.Venkataraman is a former member of the Indian Administrative Service. He has extensive experience in administration at various and widely spread levels, having held several senior posts both in the State Government and also in the Government of India, amongst which are Additional Chief Secretary (in which capacity he was in charge of the Department of Health among others), Member, Board of Revenue, Chief Secretary, apart from heading as Chairman of public sector undertakings like the State Industrial Development Corporation, State Mining Corporation and State Forest Development Corporation. In the Government of India he has had almost a decade of experience in the Ministry of Home Affairs and later held the post of Secretary to the Government of India, in the Ministry of Tourism and Civil Aviation, in which capacity he was connected with airport expansions, in India and abroad, introduction of Travel circuits in India for tourism promotion including the concept of the Palace on Wheels, introduced by him and had close connection with sanctions and execution of a number of hotels in Delhi like the Taj Palace, Sheraton Towers, Surya Sofitel, Le Meridien, Hilton among others in Delhi, apart from a number of hotels in the rest of the country.

He was Director for a spell of five years on the Indian National Trust for Art and Cultural Heritage, concerned with the conservation of the Varanasi and Mathura Brindavan heritage regions. He is a Doctor of Literature (D.Litt.) and an author

of repute of a number of books relating to and on Heritage of India with reference to peninsular India.

**Outside Directorship :**

C.J. International Ltd., (Le Meridien)

South Asia Enterprises Ltd.

**Membership of Committees of the Board of other Companies:**

Audit Committee (CJ International Ltd.) - Member

**Shareholding in the Company : 15,800 Shares**

**7. Name : PROF. RANJIT ROY CHAUDHURY**

**Age : 84 years**

**Qualifications :** Graduate in Medicine,  
D. Phil in Pharmacology

**Expertise :** Professor Ranjit Roy Chaudhury has occupied several positions of responsibility in the country including being the Professor and Head of the Department of Pharmacology at the Postgraduate Institute of Medical Education and Research, Chandigarh and the Dean of that institute. He has served the World Health Organization for more than 2 decades at various positions. He was the Founder President of the Delhi Medical Council and President of the Delhi Society for the Promotion of Rational Use of Drugs.

Professor Roy Chaudhury has written over 250 research papers and twenty five books. He has been honoured by being the recipient of the SS Bhatnagar Award, Dr. B. C. Roy Award, Dr. B. Mukherjee Award and the Honorary D. Sc. From Chulalongkorn University, Bangkok. He has also been bestowed the Delhi Ki Gaurav Award, the Bharat Jyoti Award and the Award of the Padma Shree by the President of India.

**Outside Directorship : Nil**

**Membership of Committees of the**

**Board of other Companies : None**

**Shareholding in the Company : 1,000 Shares**

**8. Name : MR. DEEPAK VAIDYA**

**Age : 69 yrs**

**Qualifications :** Fellow of the Institute of Chartered Accountants (England and Wales)  
Bachelor's degree in Commerce from Bombay University.

Mr Deepak Vaidya was Country Head of Schroder Ventures activity in India since March 1995 till



March 2008 and served on the Board of each Schroder Ventures investee company in India. Prior joining Schroder Ventures, Mr Vaidya spent much of his career in Industry holding a variety of positions in Singapore, Indonesia and India. He has valuable corporate experience in financial field in India and abroad. He also served on the International Advisory Board of NASDAQ for eight years.

**Outside Directorship :**

Strides Arcolab Ltd  
Apollo Hospital Enterprise Ltd  
Apollo Gleneagles Hospitals Limited  
UTI Capital Pvt Ltd  
Suntec Business Solutions Pvt Ltd  
PPN Power Generating Co Pvt Ltd

**Membership of Committees of the Board of other Companies :**

Audit - Suntec Business Solutions Pvt. Ltd.- Member  
Audit - Apollo Gleneagles Hospitals Ltd. - Chairman  
Audit - Strides Arcolab Ltd. - Member  
Shareholders/Investors Grievance - Strides Arcolab Ltd. - Chairman

**Shareholding in the Company : Nil**

**9. Name : MR. T. S. NARAYANASAMI**

**Age :** 65 years

**Qualifications :** B. Sc.

**Expertise:** Mr. T.S. Narayanasami has over four decades of experience in the banking / financial sector. He retired from his services as the Chairman and Managing Director, Bank of India in May, 2009. He also served as the Chairman of the Indian Bank's Association. Prior to leaving the services of Bank of India, he held the position of Chairman & Managing Director, Indian Overseas Bank and Andhra Bank and Executive Director, Punjab National Bank. Earlier, he started his career in Union Bank of India in 1969 and held top management positions. During his tenure in Bank of India, the Bank had been rated as the "Best Performing Bank" among all Public, Private and Foreign bank for the year 2007-2008 by Business Today- KPMG Survey, 2008, the "Best Bank(PSB) Award" at NDTV Leadership Award, 2008 and "Dun & Brad Street-Rolta Corporate Awards, 2008 (Top Indian Company)". He is also the recipient of prestigious TA Pai Memorial Best Banker Award by Dehali, Kannadiga, a Kannada Monthly Magazine.

He has widely traveled abroad

**Outside Directorship:**

Empee Hotels Ltd  
Axis Asset Management Co. Ltd  
Central Depository Services (India) Ltd.  
LICHFL Asset Management Co. Pvt. Ltd.  
Siddhivinayaka Advisory Services Pvt. Ltd.  
Essar Ports Ltd  
Raos Investments Pvt. Ltd.  
AMW Motors Limited  
Viraj Profiles Limited

**Membership of Committees of the Board of other Companies :**

Audit Committee - Essar Ports Ltd. - Chairman  
Audit Committee - Axis Asset Management Co. Ltd. - Member  
Audit Committee - Central Depository Services (India) Ltd. - Member  
Audit Committee - LICHFL Asset Management Co. Pvt. Ltd. - Member  
Audit Committee - Empee Hotels Ltd. - Member

**Shareholding in the Company : Nil**

**10. Name : MR. S. REGUNATHAN**

**Age :** 68 years

**Qualifications :** B.Sc.,I.A.S.(Retd.)

**Expertise:** Mr. S. Regunathan is an IAS (Retd.) and possesses extensive experience in Administration. He has served the Govt. of India and State Governments at various positions. As Principal Secretary to Chief Minister and Chief Secretary, Delhi, Mr. Regunathan conceptualized and launched the Bhagidari Programme and the Stree Shakti Programme and instituted good governance practices for everyone in the Govt. to follow. Both the Programmes won international recognition. He took the prime initiative to computerize the entire Delhi Govt. machinery and introducing online transaction in many departments. He was also instrumental in privatization of distribution of power in Delhi. Presently, he is an Advisor to National Knowledge Commission, Govt. of India.

**Outside Directorship :**

MGRM  
Sai Knowledge  
Education For Employment Foundation

**Membership of Committees of the Board of other Companies : None**

**Shareholding in the Company : Nil**

**11. Name : MR. SATNAM ARORA**

**Age :** 65 years

**Qualifications :** Masters in Economics

**Expertise :** Mr. Satnam Arora has rich and varied experience in managing business in various industries. He is the Managing Director of M/s. Kohinoor Foods Limited which is a 750 crores turnover food company with world famous "Kohinoor" brand of basmati rice. This brand of basmati rice is available in about 60 countries around the world and also has the dominance in the Indian market. He has extensively traveled around the globe and has been instrumental in setting up various operations of the Company overseas. He has been involved in the family business of rice trading right from the very beginning. With a combination of intelligence and rich experience, he has been influential in creating and systematizing the financial and marketing departments at Kohinoor Foods Limited. In his current capacity, he is involved with providing strategic direction to the exports business of the company and provides marketing inputs to the Company's Subsidiaries and Joint Venture Operations in overseas market. His penchant for taking on challenges in life motivated him to identify and develop several new export markets in various countries.

**Outside Directorship:**

Satnam International Pvt. Ltd.

Kohinoor Foods Ltd.

Sara Textiles Limited

Satnam Haegens Limited

Sachdeva Brothers Pvt. Ltd

Kohinoor Foods Inc., USA

Booker Satnam Wholesale Pvt. Ltd

Satnam Overseas (Exports)

**Membership of Committees of the**

**Board of other Companies :**

Shareholder Grievances - Kohinoor Foods Ltd. - Member

Audit - Kohinoor Foods Ltd. - Member

**Shareholding in the Company : Nil**

**12. Name : MR. JAIDEEP GUPTA**

**Age :** 50 years

**Qualifications :** B. Sc., PGDRM

**Expertise :** Mr. Jaideep Gupta has nearly three decades of experience in Hospital Management at

senior management positions and a track record of setting up Hospitals and managing both green field and brown field projects, maintaining clinical quality, meeting JCI Accreditation Standards, ensuring efficient operations and reducing costs across numerous healthcare institutions in India as well as overseas.

He has been associated with Apollo Hospitals Group since 1987. Prior to his appointment as Managing Director, he had been working as Chief Executive Officer of Indraprastha Apollo Hospitals, New Delhi and had been responsible for all aspects of Hospital Operations.

**Outside Directorship : Nil**

**Membership of Committees of the Board of other Companies : None**

**Shareholding in the Company : Nil**

**STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM NO. 6**

Mr. S. K. Srivastava was appointed as an Additional Director of the Company on 28th January, 2014 and he holds office only up to the Annual General Meeting. A notice has been received from a member pursuant to Section 160 of the Companies Act, 2013, along with a deposit of requisite amount signifying his intention to propose the appointment of Mr. S. K. Srivastava as a Director of the Company, liable to retire by rotation.

Except Mr. S. K. Srivastava, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

The Board of Directors of the Company recommends the resolution no. 6 for approval of the members.

**ITEM NO. 7**

Dr. M. M. Kutty was appointed as an Additional Director of the Company on 28th January, 2014 and he holds office only up to the Annual General Meeting. A notice has been received from a member pursuant to Section 160 of the Companies Act, 2013, along with a deposit of requisite amount signifying his intention to propose the appointment of Dr. M. M. Kutty as a Director of the Company, liable to retire by rotation.

Except Dr. M. M. Kutty, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

The Board of Directors of the Company recommends the resolution no. 7 for approval of the members.

#### **ITEM NO. 8**

Prof. V. N. Rajasekharan Pillai is an Independent Director of the Company. He joined the Board of Directors of the Company in October, 2008.

Prof. V. N. Rajasekharan Pillai is a director who retires by rotation at the ensuing Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Prof. V. N. Rajasekharan Pillai being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for two consecutive years effective from 1st April, 2014 to 31st March, 2016. A notice has been received from a member, along with a deposit of requisite amount signifying his intention to propose the appointment of Prof. V. N. Rajasekharan Pillai as a candidate for the office of Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Prof. V. N. Rajasekharana Pillai that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Prof. V. N. Rajasekharan Pillai fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Prof. V. N. Rajasekharan Pillai as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Prof. V. N. Rajasekharan Pillai as an Independent Director.

Except Prof. V. N. Rajasekharan Pillai, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or

otherwise, in the resolution set out at Item No. 8.

The Board of Directors of the Company recommends the resolution no. 8 for approval of the members.

#### **ITEM NO. 9**

Dr. B. Venkataraman is an Independent Director of the Company. He joined the Board of Directors of the Company in September, 1995.

Dr. B. Venkataraman is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Dr. B. Venkataraman being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for two consecutive years effective from 1st April, 2014 to 31st March, 2016. A notice has been received from a member, along with a deposit of requisite amount signifying his intention to propose the appointment of Dr. B. Venkataraman as a candidate for the office of Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Dr. B. Venkataraman that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Dr. B. Venkataraman fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. B. Venkataraman as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. B. Venkataraman as an Independent Director.

Except Dr. B. Venkataraman, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

The Board of Directors of the Company recommends the resolution no. 9 for approval of the members.

## ITEM NO. 10

Prof. Ranjit Roy Chaudhury is an Independent Director of the Company. He joined the Board of Directors of the Company in October, 2008.

Prof. Ranjit Roy Chaudhury is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Prof. Ranjit Roy Chaudhury being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for two consecutive years effective from 1st April, 2014 to 31st March, 2016. A notice has been received from a member, along with a deposit of requisite amount signifying his intention to propose the appointment of Prof. Ranjit Roy Chaudhury as a candidate for the office of Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Prof. Ranjit Roy Chaudhury that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Prof. Ranjit Roy Chaudhury fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Prof. Ranjit Roy Chaudhury as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Prof. Ranjit Roy Chaudhury as an Independent Director.

Except Prof. Ranjit Roy Chaudhury, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

The Board of Directors of the Company recommends the resolution no. 10 for approval of the members.

## ITEM NO. 11

Mr. Deepak Vaidya is an Independent Director of the Company. He joined the Board of Directors of the Company in August, 2012.

Mr. Deepak Vaidya is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Deepak Vaidya being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years effective from 1st April, 2014 to 31st March, 2019. A notice has been received from a member, along with a deposit of requisite amount signifying his intention to propose the appointment of Mr. Deepak Vaidya as a candidate for the office of Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Mr. Deepak Vaidya that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Deepak Vaidya fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Deepak Vaidya as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Deepak Vaidya as an Independent Director.

Except Mr. Deepak Vaidya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

The Board of Directors of the Company recommends the resolution no. 11 for approval of the members.

## ITEM NO. 12

Mr. T. S. Narayanasami is an Independent Director of the Company. He joined the Board of Directors of the Company in September, 2010.

Mr. T. S. Narayanasami is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. T. S.



Narayanasami being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years effective from 1st April, 2014 to 31st March, 2019. A notice has been received from a member, along with a deposit of requisite amount signifying his intention to propose the appointment of Mr. T. S. Narayanasami as a candidate for the office of Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Mr. T. S. Narayanasami that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. T. S. Narayanasami fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. T. S. Narayanasami as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. T. S. Narayanasami as an Independent Director.

Except Mr. T. S. Narayanasami, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

The Board of Directors of the Company recommends the resolution no. 12 for approval of the members.

#### **ITEM NO. 13**

Mr. S. Regunathan is an Independent Director of the Company. He joined the Board of Directors of the Company in October, 2008.

Mr. S. Regunathan is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. S. Regunathan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years effective from 1st April, 2014 to 31st March, 2019. A notice has been received from a member, along with a

deposit of requisite amount signifying his intention to propose the appointment of Mr. S. Regunathan as a candidate for the office of Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Mr. S. Regunathan that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. S. Regunathan fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. S. Regunathan as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S. Regunathan as an Independent Director.

Except Mr. S. Regunathan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 13.

The Board of Directors of the Company recommends the resolution no. 13 for approval of the members.

#### **ITEM NO. 14**

Mr. Satnam Arora is an Independent Director of the Company. He joined the Board of Directors of the Company in August, 2006.

Mr. Satnam Arora is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Satnam Arora being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years effective from 1st April, 2014 to 31st March, 2019. A notice has been received from a member, along with a deposit of requisite amount signifying his intention to propose the appointment of Mr. Satnam Arora as a candidate for the office of Director of the Company, not liable to retire by rotation.

The Company has also received declaration from Mr. Satnam Arora that he meets the criteria



of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Satnam Arora fulfils the criteria specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Satnam Arora as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Satnam Arora as an Independent Director.

Except Mr. Satnam Arora, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 14.

The Board of Directors of the Company recommends the resolution no. 14 for approval of the members.

### **ITEM NO. 15**

Mr. Jaideep Gupta was re-appointed as Managing Director of the Company for a period of 1 year w.e.f 30th April, 2013, and his re-appointment was approved by the members in Annual General Meeting of the Company held on 26th September, 2013. His period of office expired on 29th April, 2014.

Upon the recommendations of the Nomination and Remuneration Committee, the Board of Directors in the meeting held on 25th July, 2014, have re-appointed Mr. Jaideep Gupta as Managing Director of the Company for a further period of two years effective from 30th April, 2014. The remuneration of Mr. Jaideep Gupta is as per the Remuneration Policy of the Company and has the approval of the Nomination and Remuneration Committee and are within the limit prescribed under Schedule V to the Companies Act, 2013.

Pursuant to the provisions of the Section 190 of the Companies Act, 2013, a copy of the "Employment Agreement" containing the terms and conditions of appointment including remuneration would be available for inspection without any fee by the members at the Registered Office of the Company

during normal business hours on any working day, excluding Saturday.

The re-appointment of and payment of remuneration to Mr. Jaideep Gupta as Managing Director requires the approval of the members in General Meeting of the Company.

Except Mr. Jaideep Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 15.

The Board of Directors of the Company recommends the resolution no. 15 for approval of the members.

### **ITEM NO. 16**

At present, the Board of the Company has 16 (sixteen) Directors, comprising of 9 (nine) Non-Independent Directors and 7 (seven) Independent Directors. In order to meet the requirements of the Listing agreement with Stock exchange that at least one half of the Board should consist of independent directors, two more independent directors are required to be appointed on the Board. Therefore, it is proposed to alter the Articles of Association of the Company, to increase the maximum number of directors to eighteen.

The Directors recommends the Special Resolution as set out as item no. 16 for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no 16.

### **ITEM NO. 17**

The members of the Company at the Annual General Meeting held on 15th September, 1995, approved by way of an Ordinary Resolution under Section 293(1)(d) of the erstwhile Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 150 crores.

In order to meet the financial requirements relating to business and capital expenditure of the Company including future expansion, from time to time, it is proposed to increase the borrowing limits of the Company up to a maximum amount of ₹ 225 crores (Rupees Two Hundred and Twenty Five Crores)

Section 180(1)(c) of the Companies Act, 2013, effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 16 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹ 225 crores (Rupees Two Hundred Twenty Five Crores) in excess of the aggregate of the paid up share capital and free reserves of the Company.

The Board recommends the special resolution set out as Item No. 17 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 17.

#### **ITEM NO. 18**

The Company proposes to borrow money from various banks, financial institutions and other lenders (hereinafter referred to as the "Lenders") to meet its financial requirements relating to business and capital expenditure of the Company including future expansion, from time to time up to ₹ 225 Crores. In order to secure the loan amount sanctioned by the Lenders, it will be necessary to mortgage/ hypothecate and/or create charge on all the immovable and movable properties of the Company in their favour.

Approval of members is being sought under the provisions of Section 180(1)(a) of the Companies Act, 2013, to mortgage the whole or substantially the whole of the undertaking for borrowing money or an aggregate sum not exceeding ₹ 225 crores (Rupees Two Hundred Twenty Five Crores).

The Board recommends the special resolution set out as Item No. 18 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 18.

#### **ITEM NO. 19**

The members of the Company at the Annual General Meeting held on 14th September, 2012 approved by way of an Special Resolution under Section 309(4) of the erstwhile Companies Act, 1956, the payment of commission to the erst while Non-executive Directors of the Company, for a period of 5 (five) years commencing from 1st April, 2012.

Accordingly, commission has been paid by the Company to each of the Non-Executive Directors including Independent Directors for two years commencing from 1st April, 2012, within the limit of 1% of net profits of the Company, in addition to the sitting fees being paid for attending each meeting of the Board or a Committee thereof.

In order to remunerate the Non-Executive Directors including independent directors of the Company, for the responsibilities entrusted upon them under the Companies Act, 2013, particularly with the requirements of the Corporate Governance Policies, the current trends and commensurate with the time devoted and the contribution made by them, it is proposed that the Non-Executive Directors including independent directors of the Company be continued to be paid commission and the Company may pay the premium for the health insurance for the Non-Executive Directors including independent directors and their spouses, within the maximum limit of 1% of net profits of the Company, to be determined by the Board of Directors of the Company, for each financial year, for a period of five years commencing from 1st April, 2014, and distributed between Directors, in such proportion and manner as the Board may determine from time to time.

The above remuneration shall be in addition to fee payable to the Director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

Pursuant to Section 197 of the Companies Act, 2013, the approval of the members of the Company by way of a Special Resolution in General Meeting is required for payment of remuneration by way of commission to Non Executive Directors including independent directors of the Company and payment of premium for the health insurance for the

Non-Executive Directors including independent directors and their spouses.

Except all Non-Executive Directors including independent directors of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 19.

The Board of Directors of the Company recommends the resolution no. 19 for approval of the members.

### **ITEM NO. 20**

The Board, on the recommendation of the Audit Committee, has appointed M/s Devarajan Swaminathan and Co., Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the year ending 31st March, 2015, at a remuneration of ₹ 5.00 lakhs plus service tax and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 20 of the Notice for ratification of the remuneration payable to the cost auditors for the year ending 31st March, 2015.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 20.

The Board of Directors of the Company recommends the resolution no. 20 for approval of the members.

### **ITEM NO. 21**

The Company has entered in to a contract with M/s Faber Sindoori Management Services Private Limited (FSMS), for availing of Biomedical Engineering Services from FSMS for a period from 04-09-2013 to 03-09-2014.

FSMS is a joint venture company of Faber Facilities Sdn. Bhd, a subsidiary of Faber Group Berhad in Malaysia and Apollo Sindoori Hotels Limited, a subsidiary of Apollo Hospitals Group. FSMS is a company involved in the business of provision of healthcare support services and non-healthcare support services with more than 20 years of rich and varied experience.

FSMS is a company in which certain Directors of the Company are concerned or interested, hence approval of the Central Government was required under Section 297 of the erstwhile Companies Act, 1956 for the contract with FSMS. The approval of the Central Government was obtained vide approval no. 4/435/T-1/2013/D/7193 dated 18-10-2013. The Central Government in its approval inter-alia prescribed the Company to place the proposed contract in the next Annual General Meeting of the Shareholders for their post facto approval.

The contract and the approval of the Central Government, referred to in resolution no. 21, would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Except Dr. Prathap C Reddy, Ms. Suneeta Reddy and Ms. Shobana Kamineni and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other directors / Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 21.

The Board of Directors of the Company recommends the resolution no. 21 for approval of the members.

## DIRECTORS' REPORT

Dear Shareholders,

The Directors take pleasure in presenting the 26<sup>th</sup> Annual Report of the Company along with the audited accounts of the year, ended on the 31<sup>st</sup> March 2014.

### FINANCIAL RESULTS

(Rs. In Lakhs)		
Particulars	Year Ended 31/03/2014	Year Ended 31/03/2013
Total Income	<b>67,858.98</b>	60,815.18
Profit before tax	<b>5,415.40</b>	4,548.11
Provision for taxation	<b>1,871.82</b>	1,671.62
Net Profit (PAT)	<b>3,543.58</b>	2,876.49
Balance brought forward from previous year	<b>4,356.51</b>	5,684.73
Amount available for appropriation	<b>7,900.09</b>	8,561.22
<b>Appropriations</b>		
Transferred to General Reserve	<b>300.00</b>	2,500.00
Dividend (Proposed)	<b>1,650.11</b>	1,466.77
Corporate Dividend Tax	<b>280.44</b>	237.95
Balance carried to Balance Sheet	<b>5,669.54</b>	4,356.50

### TRANSFER TO RESERVES

The Company proposes to transfer Rs. 300.00 lakhs to the General Reserve out of the amount available for appropriation.

### DIVIDEND

The Directors are pleased to recommend payment of dividend on equity shares @ Rs. 1.80 per share (18 percent) for the financial year ended 31<sup>st</sup> March, 2014 (previous year Rs. 1.60 per share – 16 percent).

### OPERATIONS

During the financial year under review, the Company has registered all round growth in its working and achieved higher income and profit. The total income of the Company increased to Rs. 67,858.98 lakhs from Rs. 60,815.18 lakhs last year – an increase of 12%.

The Company's EBITDA increased by 15% from Rs. 7,999.06 lakhs to Rs. 9184.83 lakhs, whereas the profit after tax (PAT) increased to Rs. 3,543.58 lakhs from Rs. 2,876.49 lakhs.

The Hospital continued to attract large number of domestic as well as international patients. The

average bed occupancy in the hospitals increased from 575 to 576.

As reported in the previous Director's Report, the hospital commissioned 127 beds in 2012-2013 taking the total bed strength to 710. This capacity was created keeping in mind the projected increase in demand for the hospital's tertiary care services. The occupancy of these new beds and overall of the hospital has been healthy at an average of 87% for the year.

There was a steady increase in admissions of patients from 42099 to 43284 patient – a growth of 3 percent, repeat Outpatients(OP) increased from 242788 to 264351 - a growth of 9 per cent. The critical Average Length of Stay (ALDS) performance index reduced to 4.8 days from 4.9 days, Therapeutic and diagnostic modalities increased from 320 to 372 – a growth of 16 per cent, dialysis increased from 34626 to 37094 (a growth of 7 per cent) and the number of laboratories tests increased from 2.30 million to 2.59 million tests – a growth of 13 percent over the previous year.

The Solid Organ Transplant program of the Hospital continued to register outstanding growth with over 954 solid organ transplants (285 Liver Transplants and 669 Kidney Transplants) in a single year with success rates of over 90%, Indraprastha Apollo Hospitals remained the busiest Transplant Centre in the world. Apart from this, the hospital's Liver Transplant Team successfully performed 350 liver transplants on Pakistani patients, which was covered extensively by the media across borders. Further, the team completed 300 Living Donor Liver Transplants in the calendar year 2013, a first for the country.

A 90 year old woman suffering from stroke was successfully treated with thrombolysis in the hospital, hence proving that there is no age barrier to thrombolysis in stroke patient. The patient recuperated with minimal neurological loss post the treatment.

The Apollo Institute of Robotic Surgery, which was instituted last year, performed 173 surgeries during the year. Further, the Institute now uses the modality for varied clinical divisions like Urology, Gynaecology, General Surgery, Bariatric surgery and Thoracic surgery.

More than 29 senior consultants joined the hospital this year taking the total number of full-time consultants associated with the hospital to more than 350. Further to maintain the high level of services and adopting new clinical modalities, on



an average of more than 66 man hours of training was undertaken per employee over the whole year.

Apollo Hospitals, Noida performed well across all the operational parameters and continued to be one of the leading destinations for Mother and Child Care and dialysis. During the year, the number of deliveries of babies in the hospitals increased from 653 to 766 and number of dialysis increased from 7108 to 7814.

After significant preparations and enhancement of key services, Apollo Hospitals, Noida received the approval from the Government of Uttar Pradesh to conduct Renal Transplants and commenced Renal Transplant services in September, 2013. A total of 18 transplants were conducted in the Noida hospital during the year.

However, Apollo Hospitals, Noida incurred a loss of Rs. 166 lakhs against profit of Rs. 78 lakhs in the previous year.

Since June 1998, the hospital has been providing free treatment (excluding medicines and medical consumables) to patients referred by the Government of NCT of Delhi. A full time medical officer, deputed by the Directorate of Health Services (DHS), Government of Delhi, is available in the hospital premises on all working days to meet patients referred by the Government of NCT of Delhi, scrutinize the necessary documents as per criteria laid down for the purpose, and guide them appropriately to various specialties for out-patient consultation or in-patient treatment as required. The medical officer also daily liaises with the Hospital Nodal Officer and provides details of all free admissions to the DHS. During this financial year, 12,892 patients (2,092 IP and 10,800 OP) referred by the Delhi Government were provided super-specialty care under this arrangement.

### Major Events & Developments

The Hospital was the medical partner of Jaypee Sports International (JPSI), organizers of the 2013 F1 Indian Grand Prix, which was held at Buddh International Circuit in Greater Noida. The selection of the hospital was in keeping with our established capabilities in Critical Care & Emergency Medicine. The three day event was supported by a team consisting of 73 members from the hospital headed by the Head of Department of Emergency who was also the Chief Medical Officer for the event, the first Indian to do so.

The hospital was blessed with the visit of His Holiness the Dalai Lama who spoke on a wide

range of subjects from humanity, selflessness, happiness, ethical and moral standards for oneself to the need to find peace. He asked patients to have courage and hope as they charter a new life post their transplants. His Holiness' visit was marked by overwhelming presence of the hospital staff, doctors, industry leaders and patients alike.

The hospital participated in the first of its kind global conference christened the "Future of Healthcare: A Collective Vision" organised by the Healthcare Alliance in Delhi. The conference was a huge success and brought together a consortium of healthcare players, industry associations (ASSOCHAM, FICCI, CII, NATHEALTH), consultants who served as Knowledge Partners (McKinsey, Bain, PwC, KPMG), and also Government participation through representation of the Ministry of Health and Family Welfare. The conference concluded with a presentation of 4 white papers to the Hon'ble President of India at Rashtrapati Bhawan in presence of then Health Minister, Shri Ghulam Nabi Azad.

A high level delegation headed by the Vietnamese Health Minister, Nguyen Kim Tien visited the Hospital. Discussions on healthcare financing, doctor and nurse exchange programmes, investment opportunity in hospital construction in Vietnam and various means of collaboration were held with the hospital leadership.

Dr. Prathap C. Reddy's biography "The Healer" was launched on 30th January, 2014, with a glittering function at the Oberoi Hotel. The event was hugely covered by all portals of media – print, electronic and online.

### New Services

**The Apollo Obesity and Metabolic Surgery** (Bariatric surgery) Centre was commissioned. The centre is aimed at holistic healthcare solutions for patients dealing with obesity & metabolic syndromes. Senior consultant, Dr. Kamal Mahawar, who was previously working at prestigious Sunderland Royal Hospital, United Kingdom has joined the centre. Dr. Mahawar brings with him an experience of performing over 1200 bariatric surgeries. Typical surgeries that would be performed at the centre include Sleeve Gastrectomy, Gastric Bypass, and Gastric ballooning.

The Medical escort service for air evacuation was re-started by the hospital. The service had been discontinued after the tragic air accident in 2011. The restarted service picked up pace over the year with an average of 10 air calls a month.



The Pain Clinic was started in January 2014 offering integrated and comprehensive Pain Management for all kinds of pain. The clinic also offers advance Pain Management techniques and procedures like Spinal Cord Stimulator Implantation, Sacral & Peripheral Nerve Stimulation, Intrathecal Drug Pump Implantation, Radiofrequency Denervation and Neurotomy.

Given the rising burden of Non-Communicable Diseases and Diabetes, the Sugar Clinic was also started this year to help patients in better management of Diabetes and prevention of associated complications. The Clinic consists of a multi-disciplinary team comprising of doctors and allied specialists like podiatrists, dieticians, nurses etc. which provides comprehensive care to the patients.

The hospital also expanded its Emergency department with 10 additional beds being added along with a complete renovation. The total strength of the unit stands at 20 beds. Also, the Urology, Nephrology and Dermatology OP areas underwent renovation over the last year.

A large number of equipments were replaced or upgraded over the past year in various specialities including Oncology, Fetal Medicine, Cosmetics, Cardiology and Microbiology along with OT and other equipment at the main hospital and in Noida.

### **Clinical Excellence**

The hospital achieved yet another milestone by becoming the first hospital in the country to be accredited by the Joint Commission International (JCI) for a record 4th time. The hospital was the first in India to be accredited by JCI in 2005 and received subsequent reaccreditations in 2008 and 2011. This year's survey witnessed the hospital being evaluated on the 5th edition of JCI standards which had new stringent standards pertaining to Transplants, Governance, Leadership and Direction (GLD), amongst others. The five-day survey culminated in the Surveyor's Report that noted that the hospital achieved a compliance score of greater than 9.9 on a scale of 10. Out of the total 1160 measurable elements of the latest standards surveyed, there was not even a single measurable element which was considered as 'Not Met'.

There were no findings in chapters on Governance Leadership, Access to Care, Quality Improvement and few others. The four surveyors applauded the patient-centric approach of the hospital and the results that the hospital is producing.

Apollo Hospitals, Noida was re-awarded Accreditation from National Accreditation Board for Hospitals and Healthcare Providers (NABH) valid for a period of three years.

### **COMMUNITY OUTREACH PROGRAMS and CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The novel concept of National level CME programs was initiated, in order to showcase the organization's clinical acuity and expertise through its faculty across all key specialities. A total of 7 National CME programs were conducted throughout the year in Neurosciences, Oncology, Emergency Medicine, Orthopaedics, Cardiac Sciences, Nephrology with Renal Transplantation and Gastroenterology including Hepatology with Liver Transplantation. A total of 1655 physicians and specialists from across the country attended these programs and benefitted from them.

A national seminar to promote voluntary blood donation was organized to commemorate World Blood Donor Day 2013. The theme of the seminar was 'Every blood donation is a gift of life'. The seminar was organised in association with State Blood Transfusion Council of NCT Delhi and an NGO, Blood for All (B4A).

Gift a Life continued its campaign for creating awareness on Organ Donation through a nationwide media campaign in partnership with The Times of India and the Times Foundation. Awareness talks were also organised in partnership with the Delhi Metro Rail Corporation, Barclay's Bank, Snapdeal.com, Petrotech 2014, Tata Consultancy Services and the Central Reserve Police Force based in New Delhi.

The hospital in association with Cankids, a national society for children with Cancer and their families convened the 6th National Childhood Cancer Scholarship Programme in New Delhi. The event was organized to honour the little brave cancer survivors for their academic feats in an effort to further motivate them and their families thereby showing hope to all other children afflicted by this dreaded disease.

On the occasion of World Health Day, Health Awareness, talks were held at MCD schools in the Meethapur area of south Delhi. The theme by the World Health Organisation for this year was on communicable and vector borne diseases, which was our theme as well. More than 300 students were educated about ways of preventing Vector and Water borne diseases and the importance of proper nutrition.

A day-long outing for Diabetic children and their families was organized at Red Fort to observe World Diabetes Day.

The World Neighbourhood Day was celebrated. On the occasion a cultural program, '*Cultura – Celebrating Commitments*' was organised with the Resident Welfare Associations and housing societies as well as neighbourhood residents of Sarita Vihar, Jasola Vihar, New Friends Colony, Sukhdev Vihar and Kalkaji. More than 300 residents enjoyed the evening. Aged 8 yrs to 80 yrs, residents actively participated and the audience thoroughly enjoyed this memorable evening.

The free clinic at Jasola village continued this year. Apart from free consultations, patients also received free medicines and medical consumables. Clinics were held thrice a week, in addition to which monthly medical camps were also organized. More than 3300 patients benefitted from the clinic this year.

Under the Chacha Nehru Sehat Yojana which was launched by the Govt. of NCT of Delhi in 2011, health screening along with immunization of students between 10 to 16 years of age was conducted and medicines like iron, calcium and vitamin supplements, antibiotics and anti-histaminics etc. were dispensed. More than 14500 needy students were examined and treated under this scheme by clinical teams of the hospital.

More than 135 Speciality Health screening camps were organized across the city and NCR where nearly 15000 patients were examined by specialist doctors and various investigations like ECG, Echo, Blood Sugar, Serum PSA and other relevant lab tests were conducted under our Community Outreach initiative, ACOP (Apollo Community Outreach Program). Similar 23 health camps were conducted in Noida where more than 3500 patients were screened.

The Company organized a special event for children and teachers from The Lepira India Trust. The Programme commenced with snacks and drinks for the children followed by a film screening, magic show and musical programme. A total of 65 children and 8 teachers attended the event and were given presents to celebrate the New Year.

The hospital distributed blankets to the homeless and under privileged at Nizamuddin, Jama Masjid and Yamuna Pushta areas in collaboration with the Aman Biradari Trust.

The Hospital organized a Seminar on "Improving Pre-Hospital Care" in the Golden Hour along with the Indian Head Injury Foundation.

### **Uttarakhand Relief Effort**

On 16th June 2013 the flash floods and landslides in Uttarakhand devastated towns and villages, destroying roads, bridges and communications links, and severely damaging the Kedarnath shrine. For the Uttarakhand Disaster Relief, the Company contributed an amount of Rs. 5 lakhs to the Chief Minister Relief Fund. Further, relief material in the form of blankets, clothes, umbrellas and other essential items were collected from the staff of the hospital and sent across of use of the people in need. A relief team comprising of doctors and nurses was also sent to Rishikesh to help those requiring medical attention.

### **INFECTION CONTROL AND ENVIRONMENT**

The Hospital Infection Control Program has persisted in maintaining the leadership across the region and maintained benchmark standards for Hospital Acquired Infection indices at comparable levels to the best healthcare institutions in the world. Employee safety and infection prevention was also a focus area and continuous efforts were laid on prevention of exposure inoculation injuries and availing timely pre- and post-exposure prophylaxis. Specific employees especially those handling food and working in high-risk areas were examined and vaccinated against preventable infections including Hepatitis B and Chicken Pox. Training as well as facility rounds were reinforced for ensuring Hand Hygiene was a 'Top of Mind' issue for all concerned in the hospital.

The Hospital successfully celebrated the annual event of World Hand Hygiene Day highlighting its importance for minimising infections.

### **Awards and Accolades**

The Hospital received a number of accolades in the coveted Week-Neilsen Survey this year - including for the sixth consecutive year for being the Best Private Super-Speciality Hospital in Delhi. The Hospital also secured the 7th position on the top 15 Super-speciality hospitals of the country. Other mentions include - 6th Best Paediatrics Hospital of the Country; 9th Best Cardiology Hospital of the Country; 10th Best Neurology Hospital of the Country; 12th Best Diabetes Care Hospital of the Country and 15th Best Oncology Hospital of the Country.

Dr. Prathap C. Reddy – Founder Apollo Hospitals Group, was honoured with a Lifetime Achievement Award at the Asian Business Leadership Forum (ABLF 2013) Awards in Dubai. Dr. Reddy was also honoured with Lifetime Achievement Award by NDTV. The event was held at the Taj Palace, New Delhi and covered extensively on the NDTV network.

The Hospital Management Asia (HMA) recognizes and honours hospitals in Asia that carry out best practices in hospital management and in its tenth year, which is a coveted award in the Asia Pacific region for the industry. This year, in a unique achievement, your hospital won the Excellence Award for 'Pressure Ulcers-Zero Tolerance' in the Clinical Category.

The hospital won the Award for Operational Excellence in the Private-Multispecialty Hospital category of FICCI Healthcare Excellence Awards, 2013.

The hospital also won the Best Poster Presentation Award for "Minimizing Medication Errors – Patient Safety Our Responsibility" in the FICCI HEAL 2013 Awards.

### **TECHNOLOGY ABSORPTION**

During the year, the Hospital continued with its efforts to maintain standards at par with the best hospitals globally by investing in cutting-edge technology to offer the latest in medical care. Some of these are:

EBUS or Endo-bronchial Ultrasound service was introduced which uses ultrasound along with a bronchoscope to visualize airway walls and structures adjacent to it. EBUS guided diagnostics are gaining popularity and it may replace more invasive methods for staging lung cancer or for evaluating mediastinal lymphadenopathy and lesions in the future.

Ultherapy, a non-surgical treatment that uses ultrasound to actually lift loose or sagging skin on the neck, under the chin and above the eyebrow without any downtime was introduced at the Apollo Cosmetic Clinic. The procedure is the only non-invasive therapy to have been cleared by the FDA after demonstrating safety in clinical studies.

The G-Scan Standing MR was introduced in the hospital. The open and tilting design offers greater patient comfort and features the latest sequences and imaging performance developed by Esaote.

### **ENERGY CONSERVATION**

The Company on a continuous basis undertakes programmes for conserving energy. Some of them are as under :-

#### **Ultrafiltration Plant in STP**

During this phase of rapid industrialization and ever depleting water resource, there is a need to seriously reduce/ rationalize our water consumption and recycle as much as possible. The shortage and availability of water becomes big problem during peak summer time.

Our annual water consumption is close to 900 cubic meter per day and this made available by supply from Delhi Jal Board, Bore wells and tankers. In our internal meetings and reviews it was decided to start saving water at dispensing, start recycling of water and bring down fresh water requirement by 15 % of current demand.

The company has installed a 500 M3 per day capacity ultra-filtration plant with an investment of around Rupees 50 lac. This plant further treats sewage treated water and quality of water is good enough for cooling tower, flushing and horticulture purposes. It has helped in recycling the water and reduction in fresh water demand by 15-20 per cent.

Ultra filtration is simple pressure cleaning technology and primarily depends on efficient operation and life of membrane used for cleaning purpose. The average life of these membranes is close to three to four years hence it is sustainable process over period of time. This plant is operated with latest programmable logic controller with least of human interference and expected to provide consistent results over long period of time.

#### **Electricity Conservation**

As time goes on new electrical power requirement keep coming and energy demand continue to grow every passing day. Many times electricity consumption touched the peak sanctioned load. Initiatives were taken to cut down the peak load requirement. Further to create awareness amongst staff for energy conservation, 'Caution' stickers were placed on all electrical equipment to switch off fixtures when not in use.

Conventional light fittings has been replaced with LED energy saving light fixtures in areas across the hospital.

All these initiatives has helped in reducing the energy consumption.

## FOREIGN EXCHANGE EARNINGS & OUTGO

### (a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans

The Company is engaged in the healthcare business and is not carrying on any export activities. The Hospital has been empanelled with eminent international insurance companies and appointed healthcare facilitators in various countries to cater to international patients.

### (b) Total Foreign Exchange Earnings and Outgo

During the year under review, foreign exchange earnings and outgo were as under:-

Earnings : Rs. 11,157.48 lakhs

Outgo : Rs. 1,025.79 lakhs

## PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and amendments thereto, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the Annual Report is being sent to all the Members excluding the aforesaid particulars. Any member interested in obtaining a copy of the particulars of the employees may write to the Company Secretary of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

*As required under Section 217(2AA) of the Companies Act, 1956, your Directors state:*

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that appropriate accounting policies have been selected and applied consistently and have 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 as on 31st March, 2014 and of the profit of the Company for the year ended 31st March, 2014.
- (iii) that 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;

- (iv) that the annual accounts have been prepared on a going concern basis.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report and a Report on Corporate Governance is attached with this Report.

A Certificate from the Statutory Auditors of the Company regarding the Compliance by the Company of the conditions stipulated under Clause 49 of the Listing Agreement is also attached with this report.

A declaration by the Managing Director pursuant to clause 49(I)(D)(ii) of the Listing Agreement stating that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, during the financial year ended 31st March, 2014, is also attached with this report.

## AUDITORS

M/s. S. C. Vasudeva & Co., Chartered Accountants, Auditors of the Company shall hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from M/s. S. C. Vasudeva & Co., Chartered Accountants, that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013, and that they are not disqualified for re-appointment.

## COST AUDITORS

The Company has appointed M/s Devarajan Swaminathan and Co., Cost Accountants, as the Cost Auditors for conducting the audit of cost records of the Company for the year ending 31st March, 2015.

## SECRETARIAL AUDITORS

The Company has appointed M/s RSM & Co., Company Secretaries, as the Secretarial Auditors for conducting the secretarial audit of the Company, for the year ending 31st March, 2015.

## DIRECTORS

Mr. D. M. Spolia and Mr. Shakti Sinha resigned as Directors of the Company consequent upon their retirement / transfer from their office being ex-officio Directors nominated by the Govt. of Delhi.



Ms. Archana Arora (Principal Secretary – Finance, Govt. of Delhi) was appointed by the Board as an Additional Director of the Company in place of Mr. Shakti Sinha. Ms. Archana Arora has resigned consequent up on her transfer from the office of Principal Secretary – Finance, Govt. of Delhi.

Mr. S. K. Srivastava (Chief Secretary, Govt. of Delhi) and Dr. M. M. Kutty (Principal Secretary – Finance, Govt. of Delhi) were appointed by the Board as Additional Directors of the Company. Mr. S. K. Srivastava and Dr. M. M. Kutty hold the office of Directors only up to the date of the Annual General Meeting of the Company. Notice has been received from members pursuant to Section 160 of the Companies Act, 2013 signifying their intention to propose the appointment of Mr. S. K. Srivastava and Dr. M. M. Kutty as Directors of the Company, liable to retire by rotation.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Suneeta Reddy, Ms. Shobana Kamineni and Prof. V. N. Rajasekharan Pillai, Directors of the Company shall retire by rotation at the ensuing Annual General Meeting. Ms. Suneeta Reddy and Ms. Shobana Kamineni, being eligible, have offered themselves for re-election.

Prof. V. N. Rajasekharan Pillai being eligible, offer himself for appointment as Independent Director in terms of Section 149 and other applicable provisions of the Companies Act, 2013.

Prof. V. N. Rajasekharan Pillai, Dr. B. Venkataraman, Prof. Ranjit Roy Chaudhury, Mr. Deepak Vaidya, Mr. T. S. Narayanasami, Mr. S. Regunathan and Mr. Satnam Arora, Independent Directors have given declarations to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, and have offered themselves for appointment as Independent directors. The Nomination and Remuneration Committee has recommended to the Board, the appointment of all the Independent Directors.

The Board recommends the appointment of Independent Directors in terms of section 149 and other applicable provisions of the Companies Act, 2013 as set out in the Notice for the Annual General Meeting for approval of the shareholders.

The notice has been received from members pursuant to section 160 of the Companies Act, 2013 signifying their intention to propose the appointment of above named independent Directors.

The information on the particulars of the Directors seeking appointment/re-appointment, as required under clause 49 of the Listing Agreement, has been furnished in the notice to the shareholders for the Annual General Meeting.

Your Directors wish to place on record their appreciation of the valuable services rendered by Mr. D. M. Spolia, Mr. Shakti Sinha and Ms. Archana Arora, during their tenure as a Director of the Company.

### **FIXED DEPOSITS**

During the year under review, the Company has not accepted any deposit under Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

### **INSURANCE**

All properties and insurable assets of the Company, including Building, Plant & Machinery and Stocks have been adequately insured, wherever necessary.

The Company also has a professional indemnity insurance policy to cover the risk on account of claims filed against the company in consumer courts.

### **RESEARCH & DEVELOPMENT**

The Company is running a multi super-specialty Hospital and is not engaged in any major research & development activity. However, the Hospital continues to be a major centre of international clinical trials.

### **INDUSTRIAL RELATIONS**

The Industrial Relations scenario continued to be cordial during the year under review.

### **ACKNOWLEDGEMENT**

The Directors wish to thank and deeply acknowledge the cooperation, assistance and support extended by the financial institutions, banks, the Government of Delhi and the Union Government.

The Directors also wish to place on record their appreciation for the overall support and cooperation received from the employees at all levels and the consultant doctors.

**For and on behalf of the Board**

**Place: New Delhi**  
**Date : 25th July, 2014**

**S. K. Srivastava**  
**Chairman**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### General Overview of Healthcare Services in India

India has had several achievements in the growth of its healthcare services sector since independence. The country inherited basic and limited healthcare infrastructure, which was grossly inadequate to meet the demands of a large and diverse populace. From that starting point, India has emerged as a serious player in the global healthcare services delivery landscape with a multitude of world-class healthcare institutions imbibing the highest standards of clinical excellence.

While the public sector was the predominant service provider for most of the post-Independence era, over the last two decades the private sector in India has steadily grown and enhanced its quality of operations to emerge as the leading provider of the entire array of healthcare services. Though Government initiatives in the field of healthcare are largely critiqued, there have been several meaningful initiatives and innovative reforms.

Although, there has been reasonable progress in several areas, multiple deficiencies continue to exist in the delivery of healthcare services in India. These parameters need to be addressed immediately and effectively. Several Millennium Development Goals are unlikely to be achieved by 2015. Despite a considerable decline in child malnutrition rates over the past few decades, India continues to have the highest number of malnourished children in the world. While India is witnessing an increase in chronic disease related morbidity and mortality, it is yet to overcome health challenges posed by infectious diseases and under-nutrition. The country will need to battle this dual burden simultaneously. The growing rural – urban divide, abysmal public infrastructure, under-allocation of resources towards the sector and the increasing scarcity of qualified doctors indicate that India will be hard pressed to drive improvements in terms of key healthcare adequacy metrics for some time.

Apart from viewing the progress in terms of achievements by public and private healthcare institutions in the country, there has been significant improvement in various offerings across the healthcare spectrum in India. This is apparent from the strides made in primary care to quaternary care, expertise across various specialties, adoption of technology-based treatment and large volumes of complex medical

procedures being undertaken. The simultaneous progress and growth of allied offerings like diagnostics centres, medical & nursing colleges, pharmacies or medical insurance have resulted in extending and widening the reach of healthcare to all corners of the country.

The relative importance of one component over the other is a matter of debate. However, evidence suggests that all the components are equally important for a well-rounded healthcare system.

Structurally, the Indian healthcare system incorporates the key ingredients required to enable all the necessary health services to be delivered to the public effectively.

#### The Healthcare Services Delivery Landscape in India

Despite having the 2nd largest population, the size of the Indian health care market fares poorly, when compared to similar and disparate economies. A detailed analysis of the system reveals that our health care model needs further augmentation on several vital parameters, namely:

- Health expenditure as percentage of GDP
- Per capita spending on healthcare
- Doctor - to - Population & Hospital Bed - to - Population ratio
- Infant and maternal mortality ratio
- Size of the healthcare market

Healthcare spending as a percentage of GDP in India has reduced from 4.3% in 2000 to 3.7% in 2010. The decline in the proportion to GDP implies that the growth in expenditure on healthcare has not kept pace with the growth in GDP. The corresponding global average for percentage of GDP has been 8.2% in 2000 and 9.2% in 2010.

The proportion of Government expenditure to Private Expenditure has marginally improved from 26:74 in 2000 to 28:72 in 2010, India continues to report among the highest proportions of private investment in healthcare spending by nations across the globe. The global average for proportion of public spending to private healthcare spending was 59:41 in 2010. The out-of-pocket spend as a proportion of total healthcare spending continues to remain elevated at about 86% of total healthcare expenditure in 2010. This is due to a low public spend and moderate penetration of health insurance. The global average has remained steady at ~50% during the period from 2000 to 2010.

The global average for per capita spend on healthcare expenditure has significantly increased (in PPP terms) from US\$ 564 in 2000 to US\$ 1,017 in 2010. In India, the corresponding figures compare poorly despite growing from US\$ 65 in 2000 to US\$ 126 in 2010.

Despite the progress made by the private sector over the years, Infrastructure gaps persist in the industry. The bed availability in India stood at 9 per 10,000 by 2012 which was significantly lower than the WHO guideline of 30 beds per 10,000 population. In terms of availability of medical staff, the number of doctors and nurses available for every 10,000 was at 6.5 and 10.0 in India compared to the global average of 13.9 doctors and 29.0 nurses per 10,000 population. (Source: WHO World Health Statistics, 2013) Further, the existing Healthcare system in India is heavily skewed in favor of the urban areas, which account for only 25-30% of population.

Affordability and lack of insurance coverage also restrict the patient's access to healthcare delivery systems. This lopsided development of the healthcare system has restricted access to health services and has resulted in the overburdening of the existing centers.

Ensuring healthcare for all calls for a multidisciplinary & multi-pronged approach. Significant improvements in the delivery mechanism cannot be brought about by just changing or applying pressure on one factor and leaving the others unchanged. A model obsessed with controlling costs without paying attention towards changing other determinants will not lead to a creation of successful delivery system. Determinants like accessibility, quality standards, equitability, resource availability and equitable distribution need to be worked upon simultaneously to produce visible changes.

### **Key Characteristics**

A track record of sustained growth over the last several years along with the potential for accelerated growth in future has sharpened the focus on the healthcare services delivery industry. Fundamental strengths are contributing to the favourable view for investing into the sector and the industry in India is characterized by:

### **Population growth and changing demographics**

India's population is predicted to grow from approximately 1.2 billion in 2011-12 to over 1.5 billion by 2026. India is currently at less than

a third of the recommended global benchmark of 30 hospital beds for every 10,000 members of a population (Source: WHO). The continued population growth will result in additional demand for healthcare infrastructure. In addition to growth in population, increased life expectancy is leading to an increase in the absolute number of middle-aged and older adults, leading to a corresponding increase in demand for healthcare delivery systems and services.

### **Rising Burden of Non Communicable Disease**

The burden of non-communicable diseases (NCDs) is reaching alarming proportions in India. India is already the cardiac disease, diabetes and cancer capital of the world. These diseases are driven by changes in lifestyle and shift in dietary patterns and now account for an increasing proportion of deaths. Apart from the standard disease profile within a population, our country is faced with the additional disease burden from NCDs which is intensifying the need for healthcare delivery and associated medical facilities.

### **Inadequate Public Infrastructure**

In several countries around the world, Healthcare delivery is a primary responsibility of the State. However, in India, due to the scale of demand and the resources required to adequately service that demand, public healthcare infrastructure has been found wanting. While there are several Public Healthcare facilities of repute these add up to a miniscule fraction of overall requirements. The private healthcare service providers have emerged to cater to the unmet demand for quality healthcare services in India.

### **Rising per Capita Income and Quality Consciousness**

The economic progress of the last few years has led to a rise in per capita and increased disposable income. This has resulted in a significant expansion of the addressable market for private healthcare providers. Further, consumer awareness has increased and patients are willing to pay for better infrastructure, improved diagnostic facilities, latest technology and best-in-class medical care. This is supported by increased health insurance coverage across the country leading to a preference for accredited facilities. Given these factors, patients are inclined towards private hospitals and the addressable market is expected to grow further paving the way for sustained growth of private healthcare service providers.

## **Emergence of Medical Value Travel**

Deeper penetration of technology into everyday lives has broken traditional barriers and transformed the world into a global marketplace. This has led to the emergence of medical value travel. Patients can now evaluate healthcare institutions across the globe from the comfort of their own homes. They can assess clinical outcomes, confirm accreditation standards, evaluate physician success rates and compare healthcare costs at facilities in all corners of the world. Healthcare service providers that offer a compelling value proposition now attract patients from all corners of the globe. India is steadily rising up the ranks of emerging Medical Tourism destinations due to the quality of services offered by its private healthcare service providers.

## **Disparity in Health Infrastructure between urban and rural areas**

The progress made by private healthcare service providers in the last few years has been mostly confined to urban areas. These areas are now home to a wide variety of facilities offering single specialty, multi-specialty, primary care, quaternary care as well as value added services and bespoke offerings. These urban markets cater to local residents as well as to international medical value travelers and also to a large share of patients from surrounding rural areas. Increased competitive intensity has resulted in pockets of oversupply in some of the urban areas. Semi-urban and rural areas are at the other extreme with several areas lacking even in basic amenities.

## **Evolving Business Models**

Intensifying competition and the ever increasing cost of resources have encouraged innovation in the healthcare industry. While healthcare delivery was traditionally been defined as a standalone hospital offering all services under one roof, the last two decades have seen the emergence of private hospital chains, single specialty chains and boutique healthcare centers. It is now common for healthcare service providers to focus on a single specialization such as eye care, orthopedics, cardiac care or maternity. These business models have proven effective in increasing efficiencies through higher volumes resulting in reduced costs while delivering comparable Quality standards and success rates. Touch points have also multiplied with all-encompassing Hospitals at one single location being replaced by multiple interface points such as Standalone clinics, diagnostic

centers and pharmacies. At the other end of the spectrum, integrated healthcare delivery centers like Medicities are also emerging as viable business models in the Indian healthcare services industry.

## **Increased focus from Investors**

The long-term growth potential of the healthcare industry in India has never been in doubt. However, investors have been deterred by the track record of high capital intensity and elongated gestation periods. In recent years, steps to moderate capital intensity such as leasing of premises, franchising, operating and maintenance contracts, etc. have helped to somewhat mitigate such concerns. Further, innovative delivery models and value added services have led to increased capital efficiency and improved asset turns. This has resulted in multi-faceted growth in the healthcare industry even as several other industries are faced with slowing or declining growth due to the challenging economic conditions. As a result, there has been a notable increase in venture capital and private equity investment into the industry.

## **SWOT Analysis**

### **Strengths**

**Trusted and preferred Brand:** Your Company is well known as the first corporate hospital in Delhi. An impeccable track record, several pioneering initiatives and the sheer number of surgeries at high success rates have helped to establish the “Apollo” brand as a premier brand in the healthcare sector in India. This brand value provides several tangible and intangible benefits such as the belief and trust that makes patients choose Apollo, the ability to attract doctors and other healthcare professionals ahead of competition. This proposition is now well recognized, with The Week Magazine survey awarding your hospital as the city’s best private hospital six years in a row.

**High quality and mature facility:** The Company has imbibed a strong emphasis on clinical excellence in its operations. We conduct a large number of complex and high-end medical procedures with outstanding success rates and clinical outcomes.

**Arrangements with Doctors / Medical personnel:** Our consultant engagement model with senior doctors provides them the professional comfort and freedom to deliver optimal performance. Many of the doctors associated with

us are prominent within the medical field having received accolades and awards or are heading national medical associations. We are also among the leading private healthcare services employers in India. The medical colleges and training establishments within our group provide us with an abundant number of newly qualified medical personnel which can otherwise be a serious constraint to growth and efficiency.

**Professional management team with rich industry experience:** Our management team comprises of senior professionals with abundant expertise and knowhow. They possess a proven track record in the healthcare services industry and have been instrumental in driving strategy and growth. The blend of doctors as well as qualified professionals for key functions has enabled the company to repeatedly balance the multiple objectives of delivering high standards of clinical excellence, best-in-class patient care, rapid technology adoption, value optimization and focus on key specialties while growing in a steady and calibrated manner.

**Pioneer in Leveraging Technology:** Your Company has been a pioneer in adopting cutting edge technology to elevate treatment quality and clinical standards in India. From introducing the first PET SUITE in the country to the recent focus on robotics, Indraprastha Apollo has consistently been at the forefront of technology-based treatment in India. This has been a key enabler for maintaining high clinical standards, helps to attract renowned doctors from India and abroad and helps improve efficiency in operations.

### **Weaknesses**

**High intensity of Resources:** The healthcare services delivery business requires deployment of significant amount of resources which are either expensive or scarce or both. This includes costs of building, interiors and costs of plants & machines and medical equipment. Hospitals are also labour & skill intensive. Skilled manpower includes doctors, nurses and para-medical staff comprising lab-technicians, radiographers and therapists all of whom are in short supply in India.

**Lack of Regulatory Vision:** The present regulations pertaining to medical visas are a constraint to expand the share of medical tourism. The lack of proactive and favourable regulation has blunted some of the potential that the healthcare sector could have realized over the last several decades.

### **Scarcity of doctors and medical personnel:**

The hospitals business is skill & talent intensive. The quality of doctors and supporting healthcare professionals are critical to the quality and efficiency of the business. Top quality doctors and medical personnel are a finite resource and these professionals enjoy abundant opportunity in the form of entrepreneurial ventures, independent practice as well as competing offers from other service providers in India and abroad. Our continued performance and growth substantially depends on our ability to attract and retain the best of skilled medical talent & professionals.

**Obsolescence of medical equipment:** We use the latest medical equipment in our hospitals to provide top quality healthcare services. Due to the extent of global research and development into healthcare and frequent product improvements and evolving technology, the rate of obsolescence of equipment is high. Rapid obsolescence reduces the time frame for recovery of investment and dilutes capital efficiency.

**Lack of Standardization:** Healthcare is an extremely dynamic industry and there are varied requirements even in markets, which are reasonably proximate. Every market has a unique set of circumstances with variance in demographics, disease profiles, customer attitudes, seasonal variations, price sensitivity and so on. Even hospitals in two different cities in the same state will not be subject to identical operating circumstances. This requires a higher degree of customization and adaptability. The lack of standardization necessitates increased intensity in the level of monitoring and clinical governance.

**Complex business model:** The hospital business is not a 'plug and play' business. Merely having all of the necessary resources is not a guarantee to success. Rigorous management overview is required for sustaining clinical standards, balancing case mix, ensuring adequate volumes and regularly upgrading technology. In addition, there is a high level of doctor interaction combined with multiple operating metrics to monitor and analyze. The operating environment is dynamic and the organization has to keep itself responsive to challenges.

### **Opportunities**

**Increase in population and changing demographics:** 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 demand for all kinds of healthcare services manifold.

**Change in disease patterns:** India is the cancer, diabetes and heart disease capital in the world. This rising burden of non-communicable disease is a sad reality and a challenge that Indian healthcare service providers will need to effectively address. The increase in NCDs is an outcome of changing dietary patterns and alterations in lifestyle caused by increasing incomes and improved affordability. The sheer volume of cases will mean that a manifold increase in bed capacity will be required on a pan India basis to address this challenge.

**Increase in demand for elective surgeries:** Given steady increases in disposable incomes and growing health awareness, there has been a manifold expansion in demand for elective or planned surgeries. Patients are now willing to undergo discretionary treatments and healthcare procedures where the goal is to enhance health and quality of life. These procedures are known as electives as patient can 'elect' to undergo these treatments. We intend to concentrate on this requirement and build a strong presence in this segment.

**Increasing movement towards medical tourism:** Earlier, patients would travel across borders to access high quality care and medical technology, which was unavailable in their home countries. However, these disparities are less common today and quality healthcare is available in various regions across the world. However, it is now commonly known that healthcare in developed countries is unaffordable for many. This has led to the increasing prevalence of medical value travel. In addition to regional peers like Singapore, Malaysia and Thailand, India is fast emerging as a preferred destination. Indian doctors are already highly regarded for competency and expertise. If India can continue to make progress on quality of healthcare delivery and facilities and ease the overall process, it could garner a significant market share of global medical tourism.

### Threats

**Heightened competitive intensity:** The increasing propensity for entrepreneurs and business houses to enter into the healthcare business has resulted in a spike in setting up of

greenfield facilities, JVs and acquisitions. In order to make these ventures remunerative after having invested significant funds, there is a chance that some of these players may resort to unsustainable pricing in order to gain market share.

**Increasing cost of resources:** The emergence of several domestic hospital chains combined with the entry of international players is leading to an increased number of competitors chasing finite resources such as land, quality medical professionals and potential acquisition targets. Demand growth is expected to outpace improved supply of these resources. A failure to acquire resources at fair and reasonable rates will impact the ability to suitably grow and expand our operations. Further, increases in operating costs can impact the Company's operations and financial condition.

**Losing out on the Medical Tourism Opportunity:** Several countries in the Asia-Pacific region have woken up to the opportunity to attract Medical Tourists. These countries are providing incentives to domestic service providers in the form of subsidized capital, ease in permissions and tax benefits. Further, due to enhanced infrastructure and simplified visa norms, they are poised to grab a larger share of the opportunity. India will need to rapidly address issues and improved its competitiveness in this arena.

### Industry Outlook/Prospects

The Healthcare Services Industry will need to work towards addressing the key issues plaguing the sector. In addition to the shortage and the inequitable distribution of health infrastructure across the country, the sector will have to tackle the shortage of doctors as well as the growing burden of lifestyle diseases. This will require innovative solutions and high investments; factual evidence suggests that creation of one bed in the tertiary sector entails an investment upwards of Rs. 80 lakhs and Rs 40 lakhs upwards per bed in the secondary care sector.

To achieve the desired ratios of 30 beds per 10,000 population, over 2 million new hospital beds need to be created. Moreover, assuming a split of 70:30 between secondary and tertiary care, an investment of gigantic proportion is required.

Mobilizing a capital spending of this order for capacity building is neither possible for the Government nor for the private sector if they work in isolation. Hence, this calls for innovative out-of-the-box solutions.



Better utilization of underutilized Government infrastructure, incentivizing capital flows in to the sector and leveraging on technology to reduce intensity of physical infrastructure are some of the options under consideration. It is likely that private players will continue to upgrade their skills and the overall healthcare market will be divided more categorically into sub-markets based on geographic location, complexity of care and economic strata of population being serviced.

## **Company Overview**

### **Clinical Excellence**

Indraprastha Apollo Hospitals has always accorded high priority to clinical excellence. It has identified the highest standards of clinical outcomes in various specialties across the globe and set itself targets to meet or surpass these standards. In the process it has developed an enviable track record of clinical excellence.

In order to ensure sustainable clinical outcomes the Company follows an internal quality management process known as the “Apollo Clinical Excellence” program which is referred to as “ACE @ 25”. ACE@25 assesses performance based on 25 clinical parameters, which are critical to delivering the very best clinical outcomes. In order to enhance its standards even further, the Company has introduced the Rocket ACE program, which covers an additional 25 parameters leading to an advanced clinical performance assessment model for key focus areas.

A focus on clinical excellences enables Indraprastha Apollo Hospitals to continuously assess the quality of care provided to patients and allows it to objectively measure the consistency and success of its healthcare delivery services.

### **Accreditations**

As the world grows smaller and progresses towards a vision of becoming one large global marketplace, patients will increasingly be able to pick and choose a hospital facility in any part of the globe. In order to ensure standardization of healthcare delivery services across the globe, facilities are opting to be accredited by a credible agency or third party organization, which can evaluate and grade healthcare services according to a set of standards, which are revised on a periodic basis.

Our hospital was recently re-accredited for the fourth time by the Joint Commission International, USA (“JCI”) for meeting international healthcare

quality standards for patient care and organization management. JCI is the world’s premier accreditation body for evaluation of healthcare facilities.

In developing countries like India, where health services are delivered mainly through private health providers, regulation is a vital instrument and function of government policy. To that end, the government has set up the National Accreditation Board for Hospitals & Healthcare Providers (“NABH”) to establish and operate accreditation programmes for healthcare organizations in India. It is a constituent board of the Quality Control of India.

Apollo Hospitals Noida has received accreditation from NABH.

### **Strategy**

We remain focused on capacity creation while simultaneously improving operating efficiencies. We aim to achieve this through:

**Focus on high acuity cases:** The healthcare services market is large and diverse with multiple challenges, which has to be addressed. However, since our resources are finite we need to focus on specific areas where we can optimize efforts and value. We have therefore identified cardiology, oncology, neurology, critical care, orthopedics and transplants as key focus areas for our tertiary care hospitals. We internally designate these focus areas as “Centers of Excellence”. We have invested significant resources to develop robotic surgery capabilities and our centre is the world’s busiest solid organ transplant centre having completed 952 transplants in 2013. We believe that it is essential to increase volumes of high acuity cases at our facility to maximize our productivity in the healthcare services market.

**Technology and new initiatives:** The hospital has always been at the forefront of technology excellence and has been the first to leverage several innovative technologies for the benefit of patients. By employing the latest offerings, we have been able to enhance its clinical outcomes, reduce ALOS and optimize value while improving the patient care experience. We plan to continue in the same vein with the increased thrust on Minimally Invasive Surgery and Robotics.

**New Clinical Services:** The hospital is increasing its focus on new clinical services and lines of business. The recently introduced home healthcare division will be an area of focus. Increasingly, the demand of quality healthcare in

the home setting has been witnessed in the city, especially for patients who are elderly or with chronic conditions requiring constant or periodic monitoring. While tapping in to meet this demand, the move towards the home setting for the delivery of care also unburdens the hospital for more high-end cases in line with our strengths.

Similarly, the hospital has also introduced the Apollo Obesity and Metabolic Surgery Centre for patients needing surgical intervention for metabolic ailments like morbid obesity. This centre will provide a range of cutting edge techniques and is manned by skilled and experienced surgeons.

### **New IVF Centre**

Keeping in view the need for a state of the art and contemporary In-Vitro Fertilization centre, a service whose demand has risen over the past few years, the hospital created a new Centre earlier this year. The new Centre, with modern equipment, efficient space planning, improved ambience and accessibility yet privacy will become a benchmark in the field for the city and the region.

### **New Operating Theatres**

The hospital is increasing the number of Operating Theatres in the next few months. The addition of two new modular OT's will ensure that our infrastructure and physical resources can keep pace with the demand for our tertiary care services.

### **Renovation Activities**

Aware of the need to constantly modernize and upgrade our facilities, the hospital renovated an entire wing earlier this year. The project saw the revamping of rooms and wards to make them more spacious and contemporary while also efficiently utilizing public spaces. The use of ambient lighting and more soothing textures has been well received by our patients. Further such projects are planned for the coming year.

### **New Outpatient Wing**

The hospital renovated the Nephrology, Dermatology & Urology Outpatient wing to create a new space more amenable to the modern demands of our patients. The project also added consult chambers and procedure rooms in the wing.

**Improving Operating Efficiencies:** It remains the hospital's endeavor to improve operating efficiencies through enhanced practices, use of technology in day-to-day operations and lean

management practices. The hospital is revamping its Voice of Customer feedback system to move towards an integrated electronic format for better data capture and quicker turnaround on complaints redressal, thereby improving patient satisfaction. The hospital is also driving in technology into day-to-day operations. Each department has identified areas, services or processes that can be automated to improve operations and front-ending patient services.

Another area of focus and results has been to reduce our Average Length of Stay (ALOS). This metric is widely considered the benchmark for hospital efficiency and our facility has reduced ALOS from 4.9 to 4.8 in the previous year.

### **Expansion Plans**

The hospital has started planning for the next phase of expansion. The hospital currently has FAR and ground coverage available to build additional capacity. Subject to obtaining approvals, the proposed project along with underground Multi-Level Car Parking, entails the creation of an additional block/s opposite the current Outpatient block, which currently holds the general parking. The proposed new block will be a standalone facility specializing in Transplant Surgeries & Allied Sciences and a Women & Children Block (as envisaged at the present time). These will be a first of its kind in the city and region and will offer high-end tertiary services to our patients in the region and from overseas.

### **Medical Tourism**

Your Company has a well-established track record of catering to international patients. The hospital handles large volumes of International patients.

From our experience, the primary criterion evaluated by international patients is the quality of care. These patients choose our facility after evaluating our doctors and medical teams for their expertise in a particular specialty and measuring their track record and clinical success rates. The JCI accreditation also works in our favor.

India is considered as a medical destination by many given the fact that Indian doctors are highly skilled and regarded, India is being preferred for complex surgeries in the fields of cardiology, orthopedics, and neurology. Neighboring countries such as Singapore, Thailand, Malaysia are able to attract patients for less critical ailments such as cosmetic surgery. These countries also gain an advantage from friendly and conducive

regulation pertaining to medical visa as well as less onerous requirements for solid organ transplants. We also have significant numbers of patients from the Middle East and Africa.

We expect continued strong growth in volumes of international patients. We are actively marketing our offerings by arranging medical camps and consultation with specialists who themselves fly to these centres. This helps to build a connect with patients and is a key catalyst to make them choose your hospital over other service providers.

The option of 'visa on arrival' for individuals of select nationalities at New Delhi airport is a step in the right direction.

### **Financial Performance/Operational Performance**

During the year under review, the total income of the Company increased to Rs. 678.59 Crores from Rs. 608.15 Crores in the previous year.

The profit before tax was Rs. 54.15 Crores as compared to Rs. 45.48 Crores in the previous year.

The profit after tax was Rs. 35.44 Crores as compared to Rs. 28.76 Crores in the previous financial year.

The operating expenses increased to Rs. 435.69 Crores from Rs. 385.91 Crores in the previous year.

Depreciation and amortization expenses increased to Rs. 28.14 Crores from Rs. 25.89 Crores from the previous year.

The provision for taxes during the year under review is Rs. 18.72 Crores as compared to Rs. 16.72 Crores in the previous year.

### **Risk Management & Internal Controls**

#### **Risk Management**

Your Company recognizes that it is exposed to an increasing degree of risks and has a risk management system covering various aspects of the business, including operational, legal, regulatory and financial reporting.

These risks can adversely impact the functioning of the Company through their effect on operating performance, cash flows, financial performance, management performance and overall sustainability of the Company.

The risks that may affect the functioning of the Company include, but are not limited to:

- Competitive intensity and new entrants to the market

- Pace of obsolescence of technology and treatment methods utilized by us
- Inflationary pressures and other factors affecting demand for our products
- Increasing costs of materials, transport and storage
- Labour shortages and attrition of key staff including medical professionals
- Increased compliance and regulatory pressures including changes to tax laws
- In a Public Interest Litigation (PIL) on free patient facility in the Hospital, the Hon'ble High Court of Delhi has held that free treatment provided by the Hospital as per the terms of the lease deed shall be inclusive of medicine and consumables. The Company has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India against the impugned judgment and order of the Hon'ble High Court of Delhi. In pursuance of an interim order dated 30th November 2009 by the Hon'ble Supreme Court, the company has been charging for medicines and consumables from patients referred by the Government of Delhi for free treatment.
- In a matter before the Labour Court, which took place after the strike by a section of employees in the Hospital in September 1998, the Learned Presiding Officer has awarded 50 per cent back wages as part of relief along with an amount of Rs. 9,000/- as litigation expenses to each of the workmen. The Company has challenged the aforesaid award in an appeal before the Hon'ble High Court of Delhi and the Hon'ble High Court has stayed the operation and implementation of the award. However, in pursuance of the interim order by the Hon'ble High Court of Delhi in the matter, entire amount as awarded by the Learned Presiding Officer, around Rs. 1 Crore has been deposited with the Registrar General of Hon'ble High Court of Delhi. A group of employees has also challenged the said award before the Hon'ble Court of Delhi seeking re-instatement and full back wages.

Your Company has a defined risk management Model to identify potential risks, treatment and monitor the occurrence of risk.

**Risk Identification:** Monitoring and identification of risks is carried out at regular intervals with a view to improve existing processes and procedures.

This assessment is based on risk perception survey, business environment scanning and inputs from shareholders.

**Risk measurement and treatment:** After risks have been identified, risk mitigation and solutions are defined in order to bring risk exposure levels in-line with the risk appetite.

## **Internal Control Systems and their Adequacy**

Your Company has established a wide-ranging system of Internal Controls to ensure that all assets are safeguarded and protected. Further, it has processes in place to ensure that all transactions are evaluated, authorized, recorded and reported accurately.

Your Company has put in place a review mechanism whereby the management regularly reviews actual performance in comparisons to forecasts. Any significant deviation from forecasts is reviewed and assessed rapidly to identify any market trends or shortcomings in service offerings.

The system is designed to adequately ensure that financial and other records are maintained in an optimum manner, are accurate and are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control procedures are augmented by an extensive programme of internal, external audits and periodic review by the management.

## **Human Resources**

The total number of employees in the Company as on 31st March, 2014, was 3105 as against 3160 employees in previous year. The Company has also engaged contractors for various support services in the Hospital and they have deployed 971 workers as against 977 workers in the previous year. Besides the above, there are Consultant Doctors who work on a 'Fee for Service' basis.

The Healthcare Services business is a labour intensive business. There are multiple touch points for patients in the entire process from preventive to diagnostic to curative services. At all these touch

points human interaction is a critical ingredient. Thus, it goes without saying that the quality, sincerity and dedication of our personnel has a significant impact on the quality of our services.

Your Company proactively works to inculcate its vision and mission as well as a high standard of values in each of its employees. There is a long-standing commitment to create a culture that embraces diversity and fosters inclusion. Apart from stringent selection processes, there are several initiatives in the domain of Health Education and Skill Development.

A structured and transparent compensation programme is followed across the organization. Comprehensive evaluations are conducted and employees are made aware of their performance ratings on Key Result Areas and Competencies. The company follows a holistic approach to development of people with a focus on grooming the next generation of leadership. These robust processes ensure a continuous supply of manpower to support the organization's patient care delivery process and fuel its growth objectives.

## **Cautionary Statement**

Some of the statements in this Management Discussion & Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include increase in material costs, technology developments and significant changes in political and economic environment, tax laws and labour relations.

**For and on behalf of the Board**

**Place: New Delhi  
Date :25th July, 2014**

**S. K. Srivastava  
Chairman**

## REPORT ON CORPORATE GOVERNANCE

### 1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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 meet with statutory requirements but also to go beyond them by putting into place procedures and systems, which are in accordance with best practices of governance. Your Company believes that good Corporate Governance enhances the trust and confidence of all the stakeholders. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and the stock markets.

Your Company reviews its corporate governance practices to ensure that they reflect the latest developments in the corporate arena and thus position itself to conform to the best corporate governance practices. Your Company is committed to pursue excellence in all its activities and maximize its shareholders' wealth.

The Company's corporate governance policies and practices focus on the following principles:

1. To recognize the respective roles and responsibilities of the Board and Management.

2. To achieve the highest degree of transparency by maintaining a high degree of disclosure levels.
3. To ensure and maintain high ethical standards in its functioning.
4. To give the highest importance to investor relations.
5. To ensure a sound system of risk management and internal controls.
6. To ensure that employees of the company subscribe to the corporate values and apply them in their conduct.
7. To ensure that the decision making process is fair and transparent.

### 2. BOARD OF DIRECTORS

#### (a) Composition of Board

As on 31st March, 2014, the Board of Directors consists of 16 (sixteen) members comprising of 1 (one) Executive Director and 15 (fifteen) Non-Executive Directors including 8 (eight) Independent Directors. The Chairman of the Board is Non-Executive.

The Chairman, Vice-Chairman and Managing Director of the Company are not liable to retire by rotation. All other Directors are liable to retire by rotation.

#### (b) Names and Category of Directors, Attendance of each Director at the Board Meetings and the last Annual General Meeting

The Names and Category of Directors on the Board, their attendance at the Board Meetings held during the financial year ended 31st March, 2014 and at the last Annual General Meeting held on 26th September, 2013, are as under:-

Name of the Director	Category	No. of Board Meetings Attended	Attendance at the last AGM
Mr. D. M. Spolia (Chairman)	(1) Non-Executive	2	Yes
Mr. S. K. Srivastava (Chairman)	(2) Non-Executive	1	N.A.
Dr. Prathap C Reddy (Vice-Chairman)	Non-Executive	2	No
Mr. Jaideep Gupta (Managing Director)	Executive	4	Yes
Mr. S. C. L. Das	(3) Non-Executive	4	Yes
Mr. Shakti Sinha	(4) Non-Executive	-	No
Ms. Archana Arora	(5) Non-Executive	-	N.A.
Dr. M. M. Kutty	(6) Non-Executive	1	N.A.
Dr. B. Venkataraman	Non-Executive – Independent	3	Yes
Lt. Gen. (R) Vijay Lall	Non-Executive – Independent	4	Yes
Ms. Suneeta Reddy	Non-Executive	2	Yes
Ms. Renu S. Karnad	Non-Executive	3	No
Mr. Satnam Arora	Non-Executive – Independent	3	Yes
Ms. Shobana Kamineni	Non-Executive	3	Yes
Mr. S. Regunathan	Non-Executive – Independent	4	No
Prof. Ranjit Roy Chaudhury	Non-Executive – Independent	4	No
Prof. V. N. Rajasekharan Pillai	Non-Executive – Independent	3	No
Mr. T. S. Narayanasami	Non-Executive – Independent	1	No
Mr. Deepak Vaidya	Non-Executive – Independent	3	Yes



# Indraprastha Medical Corporation Limited

- (1) Ceased to be a Director w.e.f. 28.01.2014.
- (2) Appointed by the Board as an Additional Director and Chairman of the Board w.e.f. 28.01.2014.
- (3) Appointed by the Board as an Additional Director on 02.11.2012 and thereafter appointed by the shareholders as a Director at the last Annual General Meeting held on 26.09.2013.
- (4) Appointed by the Board as an Additional Director on 13.02.2013 and thereafter appointed by the shareholders as a Director at the last Annual General Meeting held on 26.09.2013. Ceased to be a Director w.e.f. 11.11-2013.
- (5) Appointed by the Board as an Additional Director w.e.f. 11.11.2013. Ceased to be a Director w.e.f. 28.01.2014.
- (6) Appointed by the Board as an Additional Director on 28.01.2014.

## (c) Number of Other Boards or Board Committees in which the Director is a Member / Chairman

None of the Directors on the Board holds the office of Director in more than fifteen Companies or membership of committees of the Board of more than ten Committees or Chairmanship of more than five Committees across all the companies in which he / she is a Director. Necessary disclosures regarding Committee positions in other companies as on 31st March, 2014, have been made by the Directors.

The number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given below. Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Name of the Director	Number of Directorships in other public Limited companies		Number of Committee positions held in other public Limited companies	
	Chairperson	Member	Chairperson	Member
Mr. S. K. Srivastava (Chairman)	2	4	Nil	Nil
Dr. Prathap C Reddy (Vice-Chairman)	12	1	Nil	Nil
Mr. Jaideep Gupta (Managing Director)	Nil	Nil	Nil	Nil
Mr. S. C. L. Das	Nil	Nil	Nil	Nil
Dr. M. M. Kutty	Nil	13	4	5
Lt. Gen. (R) Vijay Lall	Nil	Nil	Nil	Nil
Dr. B.Venkataraman	1	1	Nil	1
Ms. Suneeta Reddy	3	8	1	3
Ms. Renu S. Karnad	Nil	12	3	2
Mr. Satnam Arora	Nil	3	Nil	2
Ms. Shobana Kamineni	Nil	10	Nil	1
Mr. S. Regunathan	Nil	Nil	Nil	Nil
Prof. V. N. Rajasekharan Pillai	Nil	Nil	Nil	Nil
Prof. Ranjit Roy Chaudhury	Nil	Nil	Nil	Nil
Mr. T. S. Narayanasami	Nil	6	1	5
Mr. Deepak Vaidya	Nil	2	2	1

## (d) Number of Board Meetings held and the dates of the Board Meeting

Four (4) Board meetings were held during the financial year ended 31st March, 2014. The dates of the meetings are as follows : 7th May, 2013, 26th July, 2013, 11th November, 2013 and 28th January, 2014. The time gap between two consecutive Board meetings was not more than four months.

## (e) Board Procedure

The Board of the Company is provided with detailed notes along with the agenda papers in advance in respect of various items discussed in the Board meetings including :-

- Annual Operating Plans and budgets and any updates.
- Capital budgets and updates.

- Quarterly financial results / Annual financial statements.
- Minutes of meetings of audit committee and other committees of the Board.
- Appointment of senior executives just below the Board level.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Any material default in financial obligations to and by the company or substantial non payment for goods sold by the company.
- Any issue, which involves possible public or product liability, claims of substantial nature including any judgement 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 joint ventures or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems.
- Significant development in Human Resources / Industrial Relations.
- Report on legal matters.
- Quarterly statutory compliance report.
- Statement of transactions with related parties.
- Sale of material nature such as investments, subsidiaries, assets which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risk 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 transfers etc.
- Certificate by the Managing Director and Chief Operating Officer regarding financial statements in compliance with Clause 49V of the Listing Agreement.

## **(f) Code of Conduct**

The Board of Directors had adopted a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Code of Conduct has been placed on the website of the Company. All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, during the financial year ended 31st March, 2014.

## **3. AUDIT COMMITTEE**

### **(a) Terms of Reference**

The terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

### **(b) Composition, Name of Members and Chairman**

As on 31st March, 2014, the Audit Committee consists of five Non-Executive Directors (including three Independent Directors) viz. Dr. B Venkataraman, Lt. Gen. (R) Vijay Lall, Ms. Suneeta Reddy, Dr. M. M. Kutty and Mr. T. S. Narayanasami. Dr. B. Venkataraman (Independent Director) is the Chairman of the Audit Committee.

Mr. Ajay Kumar Singhal, Vice President cum Company Secretary is the Secretary to the Audit Committee.

### **(c) Meetings and attendance during the year**

The Audit Committee met four times during the year and the time gap between two consecutive meetings was not more than four months. The name of Members, Chairman and their attendance at the Audit Committee Meetings are as under:

<b>Members</b>	<b>Category</b>	<b>Meetings Held</b>	<b>Meetings Attended</b>
Dr. B Venkataraman (Chairman)	Non – Executive – Independent	4	4
Lt. Gen. (R) Vijay Lall	Non – Executive – Independent	4	4
Ms. Suneeta Reddy	Non – Executive	4	-
Mr. T. S. Narayanasami	Non – Executive – Independent	4	1
Mr. Shakti Sinha	Non – Executive	2	-
Dr. M.M. Kutty	– Non-Executive	-	-

The Managing Director, Vice President cum Company Secretary, Chief Operating Officer, and representatives of Statutory Auditors & Internal

# Indraprastha Medical Corporation Limited

Auditors, were also present at the Audit Committee meetings.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

## 4) REMUNERATION COMMITTEE

### (a) Terms of Reference

The terms of reference of the Remuneration Committee is to determine the Company's policy on specific remuneration packages for executive directors and other senior executives of the Company including pension rights, any compensation payment and such other relevant matters as may be referred by the Board from time to time.

### (b) Composition, name of members and Chairman

As on 31st March, 2014, the Remuneration Committee consists of five Non-Executive Directors (including three Independent Directors) viz. Dr. B Venkataraman, Lt. Gen. (R) Vijay Lall, Ms. Suneeta Reddy, Mr. S. Regunathan and Dr. M. M. Kutty. Dr. B. Venkataraman (Independent Director) is the Chairman of the Remuneration Committee.

### (c) Attendance during the year

One meeting of the Remuneration Committee was held during the year. The name of Members, Chairman and their attendance at the Remuneration Committee Meeting is as under:

Members	Category	Meetings Attended
Dr. B Venkataraman (Chairman)	Non – Executive – Independent	1
Lt. Gen. (R) Vijay Lall	Non – Executive – Independent	1
Ms. Suneeta Reddy	Non – Executive	-
Mr. S. Regunathan	Non – Executive – Independent	1
Mr. Shakti Sinha	Non – Executive	-

The Chairman of the Remuneration Committee Dr. B. Venkataraman was present at the last Annual General Meeting of the Company.

### (d) Remuneration Policy

The remuneration policy of the Company is to remain competitive in the industry and to attract and retain quality talent and appropriately reward employees on their contribution.

### (e) Details of Directors Remuneration

The details of Remuneration paid to Directors for the year ended 31st March, 2014 are as under:-

- i) The Non-Executive Directors are paid by way of sitting fee for attending each meeting of the Board of Directors or Committees thereof. The details of sitting fees paid to Non-Executive Directors are as under:-

Name of the Director	Sitting Fee (Rs.)
Mr. D. M. Spolia	40,000
Mr. S. K. Srivastava	20,000
Dr. Prathap C Reddy	40,000
Mr. S. C. L. Das	80,000
Dr. M. M. Kutty	20,000
Lt. Gen. (R) Vijay Lall	2,00,000
Dr. B. Venkataraman	1,60,000
Ms. Suneeta Reddy	40,000
Ms. Shobana Kamineni	60,000
Ms. Renu S. Karnad	60,000
Mr. Satnam Arora	80,000
Mr. S. Regunathan	1,00,000
Prof. Ranjit Roy Chaudhury	80,000
Prof. V. N. Rajasekharan Pillai	60,000
Mr. T. S. Narayanasami	40,000
Mr. Deepak Vaidya	60,000

In addition to the sitting fees being paid by the Company for attending each meeting of the Board of Directors or Committees thereof, the Board had approved the payment of commission of Rs. 2,75,000/- to each of the Non-Executive Director including Independent Directors for the year ended 31st March, 2014, except the Non-Executive Directors who were/are on the Board for part of the year and being paid commission proportionately. The aggregate commission payable to all Non-Executive Directors is well within the limit of 1% of net profits of the Company calculated in accordance with the provisions of the Companies Act, 1956.

The amount of commission payable to each of the Non-Executive Directors are as under:-

Name of the Director	Commission (Rs.)
Mr. D. M. Spolia	2,27,534 *
Dr. Prathap C Reddy	2,75,000
Mr. S. K. Srivastava	47,466 *
Mr. S. C. L. Das	2,75,000 *
Mr. Shakti Sinha	1,68,767 *

Name of the Director	Commission (Rs.)
Dr. M. M. Kutty	47,466 *
Lt. Gen. (R) Vijay Lall	2,75,000
Dr. B.Venkataraman	2,75,000
Ms. Suneeta Reddy	2,75,000
Ms. Renu S. Karnad	2,75,000
Mr. Satnam Arora	2,75,000
Ms. Shobana Kamineni	2,75,000
Mr. S. Regunathan	2,75,000
Prof. V. N. Rajasekharan Pillai	2,75,000
Prof. Ranjit Roy Chaudhury	2,75,000
Mr. T. S. Narayanasami	2,75,000
Mr. Deepak Vaidya	2,75,000
Ms. Archana Arora	58,767 *

\* As per the instructions received from the Govt. of Delhi, the amount of commission has been deposited in the Government account.

Apart from receiving director's remuneration by way of sitting fee for attending each meeting of the Board or Committee thereof and commission, none of the Non-Executive Directors has any pecuniary relationship or transactions with the Company during the year ended 31st March, 2014.

(ii) The details of Remuneration paid to Executive Director are as under:-

Name of the Director	Salary	Perquisite	Total (Rs.)
Mr. Jaideep Gupta	78,89,992	8,51,850	87,41,842

## 5. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

The Company has a Shareholders / Investors' Grievance Committee of directors to look into the redressal of complaints of investors. The Shareholders / Investors' Grievance Committee consists of three Non-Executive - Independent Directors viz. Lt. Gen. (R) Vijay Lall, Dr. B Venkataraman and Mr. Satnam Arora. Lt. Gen. (R) Vijay Lall is the Chairman of the Shareholders / Investors' Grievance Committee. The Shareholders / Investors' Grievance Committee met once during the year.

- Name of the Non-Executive Director heading the Committee : Lt. Gen. (R) Vijay Lall
- Name and Designation of the Compliance Officer : Mr. Ajay Kumar Singhal - Vice President cum Company Secretary
- Number of Shareholders Complaints : The Company has received one hundred forty

complaints during the year and no complaint was pending at the beginning of the year.

- Numbers not resolved to the satisfaction of shareholders : All the complaints have been resolved to the satisfaction of the complainants during the year.
- Number of pending complaints as on 31st March, 2014 : None

## 6. GENERAL BODY MEETINGS

- The last three Annual General Meetings were held as under :-

Financial Year	Location	Date	Time
2012-13	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi - 110 001	26th September, 2013	10.30 A.M.
2011-12	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi - 110 001	14th September, 2012	10.15 A.M.
2010-11	NCUI Convention Centre, 3 Khel Gaon Marg, New Delhi - 110 016	14th September, 2011	10.30 A.M.

Notes:-

- Special Resolution was passed at all three AGM's mentioned above for the appointment of Auditors, as more than 25% of the share capital of the Company is held by the Govt. of NCT of Delhi.
- Special Resolution was passed at AGM on 26th September, 2013, for post facto approval of the shareholders for entering into contract for appointing M/s Apollo Telehealth Services Private Limited as a Health Care Facilitator of the Company.
- Special Resolution was passed at AGM on 26th September, 2013, for post facto approval of the shareholders for entering into contract for availing Housekeeping services from M/s Faber Sindoori Management Services Private Limited.
- Special Resolution was passed at AGM on 14th September, 2012, in pursuance of Section 309(4) of the Companies Act, 1956 for approval of the shareholders for payment of commission to the Non-Executive Directors of the Company.
- No Resolution was required to be put through postal ballot last year.
- No Special Resolution is proposed to be conducted through postal ballot.



## 7. DISCLOSURES

- 1) During the financial year ended 31st March, 2014, there were no materially significant related party transactions, pecuniary transactions or relationship between the Company and its directors, promoters or the management that may have potential conflict with the interests of the Company at large except the details of transactions disclosed in Notes forming part of the Accounts as required under Accounting Standard 18 issued under the Companies (Accounting Standard) Rules, 2006.

All details relating to financial and commercial transactions, where directors may have a potential interest, are provided to the Board and the interested Directors neither participate in the discussion nor do they vote in such matters. The Audit Committee of the Company also reviews related party transactions periodically.

- 2) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- 3) The Company has not adopted a Whistle Blower Policy.
- 4) The Company has complied with all the Mandatory requirements of the Clause 49 of the Listing Agreement with Stock Exchanges.
- 5) A qualified practicing Company Secretary carries out the Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total listed and paid up capital. This audit is carried out every quarter and the report thereon is submitted to the Stock exchanges and is also placed before the Board of Directors. The audit, interalia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## 8. MEANS OF COMMUNICATION

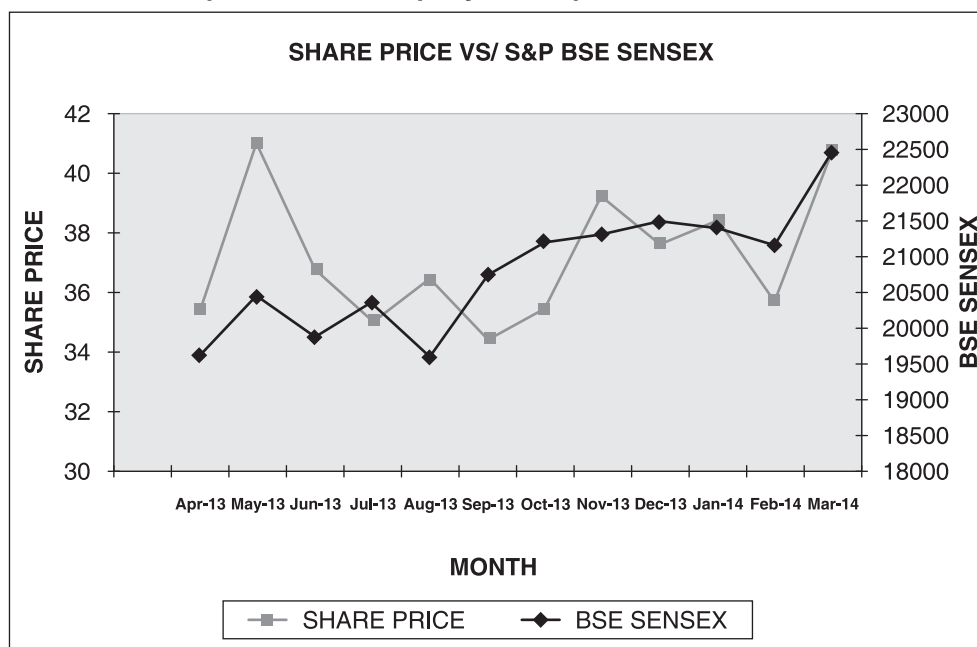
- (i) **Quarterly Results** : Quarterly Results of the Company are published in Financial Express -All Editions and Jansatta (Hindi) – Delhi Edition and are displayed on the Company's website [www.apollohospdelhi.com](http://www.apollohospdelhi.com).
- (ii) **Official News Releases** : The Company website also displays official news releases.
- (iii) **Presentations made to Institutional Investors or to the Analysts** : No presentation was made to institutional investors or to the analysts by the Company.

## 9. GENERAL SHAREHOLDER INFORMATION

- |                                      |   |
|--------------------------------------|---|
| <b>a. Annual General Meeting</b>     | : Tuesday, 30th September, 2014, at 10.30 a.m. at FICCI K.K. Birla Auditorium, 1 Tansen Marg, New Delhi – 110 001.                                    |
| <b>b. Financial Year</b>             | : 1st April to 31st March   |
| <b>c. Date of Book Closure</b>       | : From Saturday, 20th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive) for payment of dividend for the year 2013-14.            |
| <b>d. Dividend Payment Date</b>      | : On or after 4th October, 2014.  |
| <b>e. Listing on Stock Exchanges</b> | : BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).   |
| <b>f. Annual Listing Fee</b>         | : Annual listing fee for the year 2014-15 has been paid by the Company to BSE & NSE.  |
| <b>g. Stock Code</b>                 | : BSE – 532150, NSE – INDRAMEDCO, Demat ISIN – INE681B01017   |
| <b>h. Market Price Data</b>          | : Monthly High & Low during each month of the financial year 2013-14 at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) are as under :- |

Month	National Stock Exchange			Bombay Stock Exchange		
	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)
Apr., 2013	37.45	32.70	3,01,281	35.40	32.75	76,296
May, 2013	40.95	34.00	13,71,357	41.10	34.25	5,74,552
June., 2013	37.70	32.95	2,85,656	36.75	32.90	1,10,988
July, 2013	38.40	31.15	4,43,710	35.00	31.15	1,08,866
Aug., 2013	35.70	30.90	5,65,506	36.45	31.00	1,08,338
Sep., 2013	34.30	30.80	3,60,995	34.40	30.05	1,42,272
Oct., 2013	34.85	30.80	3,23,054	35.40	29.15	95,709
Nov., 2013	38.95	32.25	8,91,441	39.25	31.55	3,85,636
Dec, 2013	37.95	34.20	10,65,924	37.60	34.15	3,33,211
Jan., 2014	38.40	33.70	11,10,424	38.40	33.85	2,93,763
Feb., 2014	35.70	33.65	5,10,106	35.65	33.05	87,405
March, 2014	41.00	34.50	18,91,278	40.80	34.05	6,02,301

**Performance of the share price of the Company in comparison to BSE SENSEX**



- i. Registrar and Transfer Agents** : M/s. Link Intime India Pvt. Ltd. continue to be the Registrar & Transfer Agents of the Company and their address is as under:-

M/s. Link Intime India Pvt. Ltd.  
 44 Community Centre 2nd floor  
 Naraina Industrial Area Phase I  
 Near PVR, Naraina, New Delhi – 110 028

- j. Share Transfer System** : The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Physical Shares which are lodged with the Registrar and Transfer Agents / or with the Company for transfer are processed and returned to the shareholders duly transferred within the time limit stipulated under the Listing Agreement subject to the documents being in order.

# Indraprastha Medical Corporation Limited

## k. Distribution of shareholding as on March 31, 2014 :

Shares holding of nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to total	Rs.	% to total
Upto 2,500		23,880	67.306	2,07,05,250	2.259
2,501 - 5,000		5,545	15.629	2,37,72,680	2.593
5,001 - 10,000		2,942	8.292	2,60,18,160	2.838
10,001 - 20,000		1,326	3.737	2,10,12,150	2.292
20,001 - 30,000		471	1.328	1,23,48,410	1.347
30,001 - 40,000		266	0.750	98,06,990	1.070
40,001 - 50,000		254	0.716	1,22,29,080	1.334
50,001 - 1,00,000		372	1.048	2,83,21,850	3.089
1,00,001 & above		424	1.195	76,25,15,430	83.178
Total		35,480	100.000	91,67,30,000	100.000

## Shareholding Category as on 31st March, 2014

Category	No. of Shares held	% to total
Indian Promoters	4,52,76,700	49.389
Foreign Promoters	14,75,000	1.609
Mutual Funds & UTI	3,72,797	0.407
Financial Institutions / Banks	4,58,567	0.500
Foreign Institutional Investors	4,60,120	0.502
Bodies Corporate	1,52,18,335	16.601
NRI's/OCB's	29,50,090	3.218
Indian public	2,54,61,391	27.774
<b>Grand Total</b>	<b>9,16,73,000</b>	<b>100.000</b>

## Shares held by Non-Executive Directors

The number of shares held by Non-Executive Directors as on 31st March, 2014, is as under:-

Name of the Non-Executive Director	Number of shares held
Dr. Prathap C Reddy	2,37,187
Dr. B Venkataraman	15,800
Ms. Suneeta Reddy	1,38,293
Ms. Shobana Kamineni	1,16,918
Prof. Ranjit Roy Chaudhury	1,000

## I. Dematerialisation of shares

About 69% of the Company's paid-up equity share capital has been dematerialised up to 31st March, 2014.

The details of demat of shares as on 31st March, 2014, are as under:-

	No. of Shareholders	No. of Shares	% of capital
<b>NSDL</b>	17,128	5,78,03,408	63.05
<b>CDSL</b>	6,457	57,36,036	6.26

Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within 15 days.

Shares of the Company are regularly traded at NSE & BSE.

**m. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity :** The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments.

**n. Hospitals Location** **Indraprastha Apollo Hospitals**  
Sarita Vihar, Delhi-Mathura Road, New Delhi – 110076.  
&  
**Apollo Hospitals**  
E-2, Sector – 26, Noida – 201 301

**o. Address for Correspondence** M/s. Indraprastha Medical Corporation Limited  
Sarita Vihar, Delhi-Mathura Road,  
New Delhi - 110076  
**E-mail Address for Investors:-**  
imclshares@apollohospitals.com

## NON-MANDATORY REQUIREMENTS

For the year ended 31st March, 2014

**1 (a) Whether Chairman of the Board is entitled to maintain Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.**

No office for the Chairman is maintained at the Company's expense. There was no reimbursement of expenses to the Chairman.

**(b) Independent Directors may have a time not exceeding in the aggregate a period of nine years on the Board of the Company**

As on date, there is no Independent Director having a term of office exceeding nine years on the Board of the Company except Dr. B. Venkataraman who was appointed on the Board of the Company on 22-9-1995 and has completed the term of 18 years and Lt. Gen. (R) Vijay Lal who was appointed on the Board of the Company on 28-6-2002 and has completed the term of 12 years.

**2. Remuneration Committee**

: Please refer to Sr. No. 4 of this report.

**3. Shareholder rights- the half yearly declaration of financial performance including summary of the significant events in last six months should be sent to each household of shareholders**

: As the Company's half yearly results are published in English newspaper having a circulation all over India and in a Hindi newspaper having a circulation in Delhi region, the same are not sent to the shareholders of the Company.

**4. Audit Qualifications**

: There are no audit qualifications in the Auditors report.

**5. Training of Board Members**

: At present, the Company does not have such a training programme for the Board members.

**6. Mechanism for evaluating non- executive Board members :**

: At present, the Company does not have such a mechanism as contemplated for evaluating the performance of non executive Board members.

**7. Whistle Blower Policy**

: At present, the Company does not have a Whistle Blower Policy

**For and on behalf of the Board**

**Place: New Delhi**  
**Date : 25th July, 2014**

**S. K. Srivastava**  
**Chairman**



**C E R T I F I C A T E**

**To,**

**The Members of Indraprastha Medical Corporation Ltd.**

We have examined the compliance of conditions of corporate governance by M/s Indraprastha Medical Corporation Ltd. (the company), for the year ended on 31.03.2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For S.C. Vasudeva & Co.,  
Chartered Accountants  
Firm Reg. No. 000235N**

**Place : New Delhi  
Date : 25th July, 2014**

**Abhinav Khosla  
Partner  
M.No. 87010**

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**Declaration under Clause 49-I (D) of the Listing Agreement**

**To**

**The Members of Indraprastha Medical Corporation Ltd.**

I hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the provisions of the CODE OF CONDUCT during the financial year ended 31st March, 2014.

**Name : Jaideep Gupta  
Designation : Managing Director  
Date : 9th July, 2014**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Indraprastha Medical Corporation Limited.

#### Report on the Financial Statements

We have audited the accompanying Financial Statements of Indraprastha Medical Corporation Limited, ('The Company'), which comprise the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on the date and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This Responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2014,
- ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) in our opinion, proper books of account, as required by law have been kept by the Company so far, as appears from our examination of such books;
  - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S.C. Vasudeva & Co.**  
Chartered Accountants  
FRN - 000235N  
(Abhinav Khosla)  
Partner  
M.No. 87010

Place : New Delhi  
Dated : 23<sup>rd</sup> May, 2014

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred in our report to the members of **Indraprastha Medical Corporation Limited on accounts for the financial year ended 31st March 2014.**

- (i) (a) According to the information and explanations given to us and on the basis of the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year and we are informed that no discrepancies were noticed on such physical verification. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and the nature of its business.
- (c) According to the information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year.
- (ii) (a) According to the information and explanations given to us, the physical verification of inventory has been conducted at reasonable intervals during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management as evidenced by written procedures and instructions are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories. Further according to the information and explanations given to us no material discrepancies were noticed on physical verification of inventory as compared to the book records. The balance of inventory established on physical verification as at the year end have been incorporated in the books of account. Consequently, the shortages/excess, if any have been adjusted in the consumption of stores and spares.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured

to any companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.

- (b) As the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of Paragraph 4 (iii) (b), (iii) (c) and (iii) (d) of the Order are not applicable to the company.
- (c) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from any companies, firms or parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (d) As the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, the provisions of Paragraph 4 (iii) (f) and (iii) (g) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, each of the transactions made in pursuance of the contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the aggregate value of rupees five lakhs during the financial year under audit in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us the company has not accepted any deposits from the public during the year under audit. Therefore, the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and relevant rules framed thereunder are not applicable to the company.

- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) According to the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax and other material statutory dues applicable to the company, if any, have generally been regularly deposited with the appropriate authorities during the financial year. We are informed that the provisions of Excise Duty are not applicable to the company.
- (b) According to the information and explanations given to us and the books and records of the company examined by us in the normal course of audit and to the best of our knowledge and belief we state that there are no dues of Income Tax , Sales Tax, Customs Duty and Wealth Tax which have not been deposited on account of any dispute . However , Service Tax amounting to Rs. 276.14 lakhs has not been deposited on account of the matter pending before the appellate authorities as given under :

Name of the Statute	Nature of Dues	Disputed Amount (Rs. in lacs)	Period to which it relates	Forum where Dispute is pending
Service Tax under Finance Act, 1994 .	Service Tax.	276.14	Financial years 2006-07 to 2010-11	Customs, Excise & Service Tax Appellate Tribunal ,New Delhi

- (x) In our opinion, the company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) Based on our audit procedures and the information and explanations given by the management we are of the opinion that the company has not defaulted in repayment of dues to any financial institution or bank. As informed to us no money has been raised through debentures by the company.
- (xii) According to the information and explanations given to us, the company has not granted any

loans and / or advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of paragraph 4(xii) of the Order are not applicable to the company.

- (xiii) The company is not a chit fund company or nidhi /mutual benefit fund/society. Therefore, the provisions of Paragraph 4 (xiii) of the said Order are not applicable to the company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provisions of paragraph 4(xiv) of the said Order are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of paragraph 4(xv) of the said Order are not applicable to the company.
- (xvi) According to the information and explanations given to us and on the basis of the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that the term loans raised have been utilised for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments by the company.
- (xviii) According to the information and explanations given to us the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the company has not issued any debentures. Therefore the provisions of paragraph 4 (xix) of the said Order are not applicable to the company.
- (xx) According to the information and explanations given to us, the company has not raised any money by public issue during the year. Therefore, the provisions of paragraph 4 (xx) of the said Order are not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud, on or by the company has been noticed or reported during the year.

**For S.C. Vasudeva & Co.**  
Chartered Accountants  
FRN - 000235N  
(Abhinav Khosla)  
Partner  
M.No. 87010

Place : New Delhi  
Dated : 23<sup>rd</sup> May, 2014



# Indraprastha Medical Corporation Limited

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014

Particulars	Note No.	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	1	916,730,000	916,730,000
(b) Reserves and Surplus	2	954,453,949	793,150,670
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	3	258,333,329	297,083,336
(b) Deferred Tax Liabilities (Net)	4	355,014,116	337,488,963
(c) Other Long term liabilities	5	21,772,540	21,926,329
(d) Long-term provisions	6	61,873,525	53,309,319
<b>3. Current liabilities</b>			
(a) Short-term borrowings	7	149,721,107	221,720,570
(b) Trade payables	8	443,730,096	509,955,448
(c) Other current liabilities	9	960,932,836	910,245,240
(d) Short-term provisions	10	365,433,959	319,650,190
<b>Total</b>		<b>4,487,995,457</b>	<b>4,381,260,065</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		2,907,602,456	2,992,601,752
(ii) Intangible Assets		22,806,538	5,850,686
(iii) Capital Work in Progress		16,545,217	4,611,913
(b) Long-term loans and advances	12	66,967,627	56,133,791
(c) Other non current assets	13	1,457,500	2,032,132
<b>2. Current Assets</b>			
(a) Inventories	14	123,729,408	116,815,942
(b) Trade receivables	15	643,621,339	525,122,142
(c) Cash and Bank balances	16	54,943,590	48,391,143
(d) Short-term loans and advances	17	300,663,942	284,675,855
(e) Other Current Assets	18	349,657,840	345,024,709
<b>Total</b>		<b>4,487,995,457</b>	<b>4,381,260,065</b>
<b>III. Summary of significant accounting policies</b>	24		

The accompanying notes are integral part of the financial statements

As per our separate report of even date attached

**For S.C.Vasudeva & Co.**

Chartered Accountants

Firm Reg. No. 000235N

Abhinav Khosla  
Partner  
M. No. 87010

Ajay Kumar Singhal  
Vice President Cum  
Company Secretary

S. K. Srivastava  
Dr. Prathap C. Reddy  
Dr. B. Venkataraman

Chairman  
Vice Chairman  
Director

Place : New Delhi  
Date : 23rd May, 2014

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

Particulars	Note No.	For the Year Ended 31st March, 2014 Rs.	For the Year Ended 31st March, 2013 Rs.
<b>I. REVENUE</b>			
(a) Revenue from Operations	19	6,775,794,295	6,067,249,224
(b) Other Income	20	10,103,226	14,268,771
<b>Total Revenue</b>		<b>6,785,897,521</b>	<b>6,081,517,995</b>
<b>II. EXPENSES</b>			
(a) Stores and Spares consumed		1,510,364,202	1,422,503,140
(b) Employee benefits expense	21	1,417,883,767	1,265,977,217
(c) Finance costs	22	95,508,877	86,179,800
(d) Depreciation and amortization expense		281,434,194	258,914,969
(e) Other expenses	23	2,939,166,782	2,593,131,637
<b>Total Expenses</b>		<b>6,244,357,822</b>	<b>5,626,706,763</b>
<b>III. Profit before exceptional and extraordinary items and tax</b>		<b>541,539,699</b>	<b>454,811,232</b>
<b>IV. Extraordinary items</b>		-	-
<b>V. Profit before tax</b>		<b>541,539,699</b>	<b>454,811,232</b>
<b>VI. Tax Expenses</b>			
(a) Current Tax		167,354,600	141,093,803
(b) Deferred Tax		17,525,153	23,496,955
(c) Tax paid/excess provision for tax written back in respect of earlier years		2,301,580	2,571,611
<b>VII. Profit for the year from continuing operations</b>		<b>354,358,366</b>	<b>287,648,863</b>
<b>VIII. Profit / (Loss) from discontinuing operations</b>		-	-
<b>IX. Tax expense of discontinuing operations</b>		-	-
<b>X. Profit / (Loss) from discontinuing operations (after tax)</b>		-	-
<b>XI. Profit / (Loss) for year</b>		<b>354,358,366</b>	<b>287,648,863</b>
<b>XII. Earnings per equity share</b>			
(Nominal value of equity share Rs. 10/-)			
Basic & Diluted		3.87	3.14
<b>XIII. Summary of significant accounting policies</b>	24		
The accompanying notes are integral part of the financial statements			

As per our separate report of even date attached

**For S.C.Vasudeva & Co.**

Chartered Accountants

Firm Reg. No. 000235N

Abhinav Khosla  
Partner  
M. No. 87010

Ajay Kumar Singhal  
Vice President Cum  
Company Secretary

S. K. Srivastava  
Dr. Prathap C. Reddy  
Dr. B. Venkataraman

Chairman  
Vice Chairman  
Director

Place : New Delhi  
Date : 23rd May, 2014

# Indraprastha Medical Corporation Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

Particulars	For the Year Ended 31st March, 2014 Rs.	For the Year Ended 31st March, 2013 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax & Extraordinary items	541,539,699	454,811,232
<b>Add:</b>		
Depreciation and amortization expense	281,434,194	258,914,969
Interest expense	73,642,983	64,777,602
Wealth Tax	94,870	129,576
Loss on discarded assets	1,813,121	34,111
<b>Deduct:</b>		
Interest received	3,420,608	6,127,445
Profit on Sale of Assets	99,596	321,496
Operating Profit before Working Capital changes	895,004,663	772,218,549
<b>Adjustments for</b>		
Trade & Other Receivables	(123,173,843)	(159,866,871)
Trade payables	1,580,111	168,112,060
Inventories	(6,913,466)	(13,588,426)
Cash Generated from Operations	766,497,465	766,875,312
<b>Deduct:</b>		
Interest paid	(17,706,163)	(24,143,164)
Income tax paid	(167,746,457)	(74,251,877)
Net Cash from Operating Activities	581,044,845	668,480,271
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Assets (Net of sale)	(220,066,640)	(545,408,313)
Interest received	1,845,844	5,384,897
Net Cash from Investing Activities	(218,220,796)	(540,023,416)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from - long term loans	350,000,000	250,000,000
Proceeds from - short term loans	200,000,000	200,000,000
Repayment of - long term loans	(383,750,000)	(164,999,999)
Repayment of - short term loans	(300,000,000)	(200,000,000)
Interest paid	(56,153,009)	(40,909,616)
Dividend paid (including Corporate Dividend Tax)	(170,773,902)	(169,566,947)
Net Cash from Financing Activities	(360,676,911)	(125,476,562)
<b>Net increase in cash and Cash equivalents</b>	2,147,138	2,980,293
<b>Opening Cash and cash equivalents</b>	17,791,739	14,811,446
<b>Closing Cash and cash equivalents</b>	19,938,877	17,791,739
<b>Components Cash and cash equivalents</b>		
<b>Cash balance on hand</b>	16,853,375	10,081,288
<b>Balance with Banks</b>	3,085,502	7,710,451

As per our separate report of even date attached

**For S.C.Vasudeva & Co.**

Chartered Accountants

Firm Reg. No. 000235N

Abhinav Khosla  
Partner  
M. No. 87010

Ajay Kumar Singhal  
Vice President Cum  
Company Secretary

S. K. Srivastava  
Dr. Prathap C. Reddy  
Dr. B. Venkataraman

Chairman  
Vice Chairman  
Director

Place : New Delhi  
Date : 23rd May, 2014

## NOTES TO FINANCIAL STATEMENTS

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
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The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

### 1. Share Capital

#### Authorised

100,000,000 Equity Shares of Rs. 10/- each	1,000,000,000	1,000,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>

#### Issued, Subscribed and Paid up

(91,673,000 equity shares of Rs. 10/- each fully paid up)	916,730,000	916,730,000
	<u>916,730,000</u>	<u>916,730,000</u>

#### a. Reconciliation of shares outstanding at the beginning and at the end of the year.

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	91,673,000	916,730,000	91,673,000	916,730,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	91,673,000	916,730,000	91,673,000	916,730,000

#### b. Terms / Rights attached to Equity Shares.

The company has only one class of Equity Shares having par value of Rs. 10/- per share. Each holder of Equity Shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing General Meeting.

During the year ended 31st March, 2014 the amount of per share dividend recognised as distribution to equity shareholders was Rs. 1.80 (Previous year Rs. 1.60).

In the event of liquidation of the company Equity shareholders will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts.

#### c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates

There is no holding / ultimate holding company of the company

#### d. Details of Shareholders holding more than 5% shares in the company.

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Government of National Capital Territory of Delhi (Including nominees)	23,834,200	26.00%	23,834,200	26.00%
Apollo Hospitals Enterprise Limited	20,190,740	22.02%	20,190,740	22.02%
Housing Development Finance Corporation Limited	9,000,000	9.82%	9,000,000	9.82%

#### e. The company has not issued any shares for consideration other than cash, bonus shares and no shares have been bought back during the period of five years immediately preceding the reporting date.

### 2. Reserves and surplus

#### a. General Reserve

Opening balance	357,500,000	107,500,000
Add : Transferred from surplus in Statement of Profit and Loss	<u>30,000,000</u>	<u>250,000,000</u>
	387,500,000	357,500,000

#### b. Surplus in Statement of Profit and Loss

Opening balance	435,650,670	568,473,251
Add : Surplus for the year	354,358,366	287,648,863
Less: Transferred to General Reserve	30,000,000	250,000,000
Less: Proposed Dividend	165,011,400	146,676,800
Less: Tax on Proposed Dividend	<u>28,043,687</u>	<u>23,794,644</u>
	566,953,949	435,650,670
<b>Total</b>	<u>954,453,949</u>	<u>793,150,670</u>



# Indraprastha Medical Corporation Limited

## NOTES TO FINANCIAL STATEMENTS

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>3. Long-Term Borrowings</b>		
<b>a. Term Loans</b>		
<b>Secured Loans</b>		
Loans from Banks	158,333,332	93,750,000
Loan from others	99,999,997	203,333,336
<b>Total</b>	<b>258,333,329</b>	<b>297,083,336</b>
<b>b.</b> Term loans of Rs. 15 Crore and 20 Crore from Hongkong and Shanghai Banking Corporation Limited was taken during the financial year 2013-14 and carry interest @ 9.75% p.a and 10.25% p.a respectively. Loan of Rs. 15 Crore is repayable in 9 quarterly instalments of Rs. 16,666,667/- each and loan of Rs 20 Crore is repayable in 16 quarterly instalments of Rs. 12,500,000/-, starting from the end of three months from the date of first disbursement. These loans are secured by way of exclusive charge on the plant and machinery and other moveables except those financed by other lenders.		
<b>c.</b> Term loan from GE Capital Services India was taken during the financial year 2010-11 and carries interest @ 9.40% p.a. The loan is repayable in 15 quarterly instalments of Rs. 18,333,333/- each from the date of the loan. The loan is secured by exclusive charge on the medical equipment and other movable fixed assets funded from the term loan and subservient charge on the movable fixed assets both present and future.		
<b>d.</b> Term loan from Siemens Financial Services (P) Limited was taken during the financial year 2012-13 and carries interest @ 12.00% p.a. The loan is repayable in 15 quarterly instalments of Rs. 16,666,667/- each from the date of the loan. The loan is secured by first and exclusive charge on the medical equipment financed.		
<b>4. Deferred tax liabilities (Net)</b>		
Deferred tax liability (net) as on 31st March, 2014 is as follows:		
Timing difference on account of depreciation	372,489,312	366,402,444
Less: Deferred tax assets arising on account of Provision for doubtful debts	5,518,240	5,315,044
Provision for Employee benefits and others	11,956,956	23,598,437
Net deferred tax liability	<b>355,014,116</b>	<b>337,488,963</b>
<b>5. Other-long term liabilities</b>		
Security Deposits	19,203,383	18,595,160
Others	2,569,157	3,331,169
<b>Total</b>	<b>21,772,540</b>	<b>21,926,329</b>
<b>6. Long-term provisions</b>		
Provision for employee benefits		
Provision for Leave Benefits	61,873,525	53,309,319
<b>Total</b>	<b>61,873,525</b>	<b>53,309,319</b>
<b>7. Short-term borrowings</b>		
Loans repayable on demand		
From banks:		
Working capital facility from Bank	149,721,107	121,720,570
Commercial paper (Unsecured)	-	100,000,000
<b>Total</b>	<b>149,721,107</b>	<b>221,720,570</b>
<b>a.</b> The company has availed cash credit limit of Rs. 150,000,000/- from Indusind Bank to meet the working capital requirements at an interest rate of 12.50% p.a. The limit is secured by first pari-passu charge on the entire current assets of the company.		
<b>b.</b> The company had issued commercial paper during the financial year 2012-13, which was subscribed by Canara Bank at an interest rate of 9.55% p.a. The commercial paper was for 90 days with maturity date of 9th April, 2013.		

## NOTES TO FINANCIAL STATEMENTS

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>8. Trade payables</b>		
Due to Micro and Small Enterprises	-	-
Due to Others		
-for Expenses	325,481,076	379,547,365
-for others	118,249,020	130,408,083
<b>Total</b>	<b>443,730,096</b>	<b>509,955,448</b>
<b>9. Other current liabilities</b>		
Current maturities of long-term debt	220,000,007	215,000,000
Interest Accrued but not due	134,037	350,226
Advance from patients	278,847,250	165,060,915
Unclaimed Dividend	13,540,722	12,710,101
Sundry creditors for capital items	115,354,751	104,736,774
Sundry creditors for expenses	221,584,460	313,323,691
TDS and other statutory liabilities	57,854,199	55,491,845
Other payables		
Provision for Gratuity	-	22,617,345
Staff benefits payable	3,298,521	4,219,549
Others	50,318,889	16,734,794
<b>Total</b>	<b>960,932,836</b>	<b>910,245,240</b>
<b>10. Short-term provisions</b>		
Provision for Income tax	167,354,600	141,093,803
Proposed Dividend	165,011,400	146,676,800
Tax on Proposed Dividend	28,043,687	23,794,644
Provision for Employee Benefits		
Provision for Leave Benefits	5,024,272	8,084,943
<b>Total</b>	<b>365,433,959</b>	<b>319,650,190</b>

**FIXED ASSETS**

Particulars	Gross Block			Depreciation /Amortisation			Impairment		Net Block	
	Cost As at 01.04.2013 (Rs.)	Additions (Rs.)	Deletions/ Adjusted (Rs.)	Cost As at 31.03.2014 (Rs.)	Up to 31.03.2013 (Rs.)	For the year (Rs.)	Written Back/ Adjusted (Rs.)	Up to 31.03.2014 (Rs.)	As At 31.03.2014 (Rs.)	As At 31.03.2013 (Rs.)
<b>A. TANGIBLE ASSETS</b>										
<b>LEASEHOLD LAND (LEASED FROM DELHI ADMINISTRATION)</b>										
BUILDINGS	1,693,313,803	32,930,510	-	<b>1,726,244,313</b>	255,688,104	30,051,093	-	<b>285,739,197</b>	<b>1,440,505,116</b>	1,437,625,699
FURNITURE & FITTINGS	217,034,779	12,682,427	-	<b>229,717,206</b>	96,701,433	11,122,696	-	<b>107,824,129</b>	<b>121,893,077</b>	120,333,346
PLANT & MACHINERY	464,398,127	25,262,020	-	<b>489,660,147</b>	215,134,224	23,570,012	-	<b>238,704,236</b>	<b>250,955,911</b>	249,263,903
OFFICE EQUIPMENT	384,137,630	51,736,379	-	<b>435,874,009</b>	204,030,012	32,845,686	-	<b>236,875,698</b>	<b>198,998,311</b>	180,107,618
MEDICAL EQUIPMENT	2,245,266,269	73,463,924	27,500,000	<b>*2,291,230,193</b>	1,204,062,088	177,546,123	25,024,895	<b>1,356,583,316</b>	<b>882,705,408</b>	989,262,712
VEHICLES	27,305,287	-	5,170,121	<b>22,135,166</b>	11,296,813	2,139,263	3,845,543	<b>9,590,533</b>	<b>12,544,633</b>	16,008,474
<b>TOTAL- A</b>	<b>5,031,455,895</b>	<b>196,075,260</b>	<b>32,670,121</b>	<b>5,194,861,034</b>	<b>1,986,912,674</b>	<b>277,274,873</b>	<b>28,870,438</b>	<b>2,235,317,109</b>	<b>2,907,602,456</b>	<b>2,992,601,752</b>
<b>B. INTANGIBLE ASSETS</b>										
SOFTWARE	36,247,675	21,115,173	-	<b>57,362,848</b>	30,396,989	4,159,321	-	<b>34,556,310</b>	<b>22,806,538</b>	5,850,686
<b>TOTAL- B</b>	<b>36,247,675</b>	<b>21,115,173</b>	<b>-</b>	<b>57,362,848</b>	<b>30,396,989</b>	<b>4,159,321</b>	<b>-</b>	<b>34,556,310</b>	<b>22,806,538</b>	<b>5,850,686</b>
<b>GRAND TOTAL (A+B)</b>	<b>5,067,703,570</b>	<b>217,190,433</b>	<b>32,670,121</b>	<b>5,252,223,882</b>	<b>2,017,309,663</b>	<b>**281,434,194</b>	<b>28,870,438</b>	<b>2,269,873,419</b>	<b>2,930,408,994</b>	<b>2,998,452,438</b>
Previous Year	4,288,958,565	915,823,178	137,078,173	5,067,703,570	1,851,727,816	258,914,969	93,333,122	2,017,309,663	2,998,452,438	2,341,588,183
Capital Work In Progress									16,545,217	4,611,913

\* Includes certain Medical Equipment which have been depreciated on the basis of estimated useful life of 7 and 10 years based on the technological evaluation by the management.

\*\* Includes Rs.4,159,321 (Previous year Rs.3,714,712/-) on account of amortisation of intangible assets.

**12. Long-term loans and advances**

## NOTES TO FINANCIAL STATEMENTS

	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>(Unsecured, considered good)</b>		
Capital Advances	35,609,641	31,962,603
Security Deposits	27,424,572	20,237,572
Others	3,933,414	3,933,616
<b>Total</b>	<b>66,967,627</b>	<b>56,133,791</b>
<b>13. Other non current assets</b>		
Others		
Margin money with banks	1,457,500	2,032,132
	<b>1,457,500</b>	<b>2,032,132</b>
<b>14. Inventories</b>		
Stores & Spares	67,358,188	56,893,106
Crockery & Utensils	539,835	1,506,301
Linen	18,008,956	15,908,819
Medical & Surgical Instruments	37,822,429	42,507,716
<b>Total</b>	<b>123,729,408</b>	<b>116,815,942</b>
<b>15. Trade receivables</b>		
<b>Unsecured</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
-Considered Good	213,363,172	128,840,635
-Considered Doubtful	16,234,894	15,637,082
Less : Allowance for doubtful receivables	16,234,894	15,637,082
	<b>213,363,172</b>	<b>128,840,635</b>
Other trade receivables		
-Considered Good	430,258,167	396,281,507
<b>Total</b>	<b>643,621,339</b>	<b>525,122,142</b>
<b>16. Cash and bank balances</b>		
Cash and cash equivalents		
Cash balance on hand	16,853,375	10,081,288
Balances with banks	3,085,502	7,710,451
Other Bank balances		
Margin money with banks	17,159,711	14,241,604
Fixed deposits	4,304,280	3,647,699
Earmarked Balances - unpaid dividend accounts	13,540,722	12,710,101
<b>Total</b>	<b>54,943,590</b>	<b>48,391,143</b>
<b>17. Short-term loans and advances</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	34,077,513	52,658,970
Prepaid Taxes	186,207,017	160,817,734
Deposits	4,941,100	4,941,100
Prepaid Expenses	75,438,312	66,258,051
<b>Total</b>	<b>300,663,942</b>	<b>284,675,855</b>
<b>18. Other current assets</b>		
(Unsecured, considered good)		
Patient treatment in progress	164,031,523	138,395,697
Interest accrued not due on FDR's	4,323,555	2,748,791
Custom duty credit recoverable	3,933,421	59,526,310
Other Receivables	158,777,409	128,381,579
Others		
Rent receivable	11,671,871	6,692,406
Franchise fees receivables	-	645,833
Other	6,920,061	8,634,093
<b>Total</b>	<b>349,657,840</b>	<b>345,024,709</b>



# Indraprastha Medical Corporation Limited

## NOTES TO FINANCIAL STATEMENTS

	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
<b>19. Revenue from operations</b>		
Sale of services	6,600,289,215	5,912,346,705
Other operating revenue		
License fee & commission from licensees	106,150,667	94,867,312
Service charges received from doctors	22,986,743	15,518,352
Miscellaneous income	46,367,670	44,516,855
<b>Total</b>	<b>6,775,794,295</b>	<b>6,067,249,224</b>
<b>20. Other Income</b>		
Interest received from bank	3,245,506	1,870,349
Interest received from others	175,102	4,257,096
Profit on sale of asset	99,596	321,496
Provision no longer required written back	6,583,022	7,819,830
<b>Total</b>	<b>10,103,226</b>	<b>14,268,771</b>
<b>21. Employee benefits expense</b>		
Salaries and wages	1,312,415,016	1,145,486,831
Contribution to Provident & Other Funds	52,280,880	74,232,996
Staff welfare	53,187,871	46,257,390
<b>Total</b>	<b>1,417,883,767</b>	<b>1,265,977,217</b>
<b>22. Finance costs</b>		
Interest on term loans	55,936,820	40,634,438
Interest on working capital	17,706,163	24,143,164
Other financial charges	21,865,894	21,402,198
<b>Total</b>	<b>95,508,877</b>	<b>86,179,800</b>
<b>23. Other expenses</b>		
Consultation fees paid to doctors	1,740,357,479	1,589,544,926
Outside lab investigations	8,459,216	8,333,146
Leasehold ground rent	12	12
Power & Fuel	237,456,602	210,392,837
Rent	42,080,358	22,948,808
Travelling and Conveyance	75,883,548	56,230,757
Insurance	9,514,775	11,046,056
Directors' sitting fees	1,280,904	1,450,025
Communication	15,551,453	15,141,440
Printing and stationery	37,902,516	46,354,321
Advertisement	334,147,450	260,572,381
Legal and professional charges	53,271,095	46,892,919
Security charges	25,445,220	24,040,614
Payment to auditors	1,630,618	1,490,000
Auditors out of pocket expenses	144,672	66,138
Rates, taxes and licenses	28,302,528	22,584,243
Loss on Discarded Assets	1,813,121	34,111
Service Charges	164,598,989	150,783,472
Repairs and maintenance		
- Building	25,023,945	27,714,348
- Plant & Machinery	109,378,489	71,802,586
- Others	6,137,657	6,586,472
Miscellaneous expenses	7,022,279	4,851,685
Bad debts written off	6,583,022	7,687,318
Provision for doubtful debts	7,180,834	6,583,022
<b>Total</b>	<b>2,939,166,782</b>	<b>2,593,131,637</b>

## 24. Significant accounting policies

### A. Accounting Convention

The accounts are prepared on accrual basis under the historical cost convention in accordance with the accounting standards referred to in section 211 (3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

### B. Revenue Recognition

- i) Revenue is recognized on accrual basis. Hospital Revenue comprises of income from services rendered to the out-patients and in-patients. Revenue also includes value of services rendered pending billing in respect of in-patients undergoing treatment as at the end of the year.
- ii) Under the "Served from India Scheme" introduced by Government of India, an exporter of service is entitled to certain export benefits on foreign currency earned. The revenue in respect of export benefits is recognized on the basis of the foreign exchange earned at the rate at which the said entitlement accrues to the extent there is no significant uncertainty as to the amount of consideration that would be derived and as to its ultimate collection.

### C. Fixed Assets

Fixed Assets are stated at historical cost less accumulated depreciation.

### D. Depreciation

- i) Depreciation is charged on straight line method at the rates prescribed under schedule XIV to the Companies Act, 1956 (considered the minimum rate) or at higher rates, if the estimated useful life based on technological evaluation of the assets are lower than as envisaged under Schedule XIV to the Companies Act. In case of additions and deletions during the year, the computations are on the basis of number of days for which the assets have been in use. Assets costing not more than Rs. 5,000/- each, individually have been depreciated fully in the year of purchase.
- ii) When impairment loss / reversal is recognized, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any) on a systematic basis over its remaining useful life.

### E. Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation.

### F. Amortisation of Intangible Assets

- i) Intangible assets are amortised on straight line method over the estimated useful life of the asset.
- ii) The useful life of the intangible assets for the purpose of amortisation is estimated to be three years.

### G. Impairment of Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the Company's fixed assets. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined on the basis of value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses, recognised in prior years, is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in the carrying amount of the asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years

### H. Inventories

- i) Inventories are valued at lower of cost or net realizable value.
- ii) The cost in respect of the items constituting the inventories has been computed on FIFO basis.

### I. Expenditure incurred during the construction period

In respect of new / major expansion of units, the indirect expenditure incurred during construction period up to the date of commencement of business, which is attributable to the construction of the project, is capitalised on various category of fixed assets on proportionate basis.

## **J. Employee benefits**

### **Short Term Employee Benefits**

Short Term Employee Benefits are recognized as an expense on an undiscounted basis in the Statement of Profit and Loss of the year in which the related service is rendered.

### **Post Employment Benefits**

#### **Defined Contribution Plans**

The Employer's contribution to Provident Fund and Employees Pension Scheme, a defined contribution plan is made in accordance with the Provident Fund Act, 1952 read with the Employees Pension Scheme, 1995.

#### **Defined Benefit Plans**

The Employees Gratuity Fund Scheme, managed by HDFC Standard Life Insurance Company Ltd. is a defined benefit plan. The liability for gratuity is provided on actuarial basis. The Present Value of the company's obligation is determined on the basis of actuarial valuation at the year end and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

#### **Long Term Employee Benefits**

The liability for leave encashment and other compensated absences is recognized on the basis of actuarial valuation made at the end of the year.

## **K. Foreign currency transactions**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of the transaction.

Exchange difference arising on the settlement of monetary items or on reporting the company's monetary items at rates different from those at which they are initially recorded during the year or, reported in previous financial statements are recognised as income or expense in the year in which they arise.

## **L. Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of the asset. Other costs are recognized as expense in the year in which they are incurred.

## **M. Taxation**

- (i) Provision for Taxation comprises of Income Tax Liability on the profits for the year chargeable to tax and Deferred Tax resulting from timing differences between Book and Tax Profits. The Deferred Tax Asset/ Liability is provided in accordance with the Accounting Standard – 22 (AS-22), "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India.

## **N. Provisions and Contingent Liabilities**

A Provision is recognised (for Liabilities that can be measured by using a substantial degree of estimation). When :

- (a) the company has a present obligation as a result of a past event,
- (b) a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- (c) the amount of obligation can be reliably measured.

Contingent liability is disclosed in the case of :

- (a) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- (b) a possible obligation, unless the probability of outflow in settlement is remote .

## **25. Notes on Accounts**

- A.** Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 31,017,729 (Previous Year Rs. 29,042,064/-).

- B. Contingent Liability**

- i) Claims against the company not acknowledged as debt Rs. 357,510,000 (Previous Year Rs. 374,943,000/-) and interest thereon. This represents suits filed against the company and the consultant doctor. Based on the facts and circumstances, possibility of any of the claims resulting in a major financial loss to the company is remote. Notwithstanding above, the company is adequately insured to mitigate the possibility of any loss.

- ii) Letters of credit / Bank guarantees outstanding on account of stores / spares and medical equipment amounting to Rs. 7,179,275/- (Previous Year Rs. 25,840,509/-).

	<b>31.03.2014</b>	31.03.2013
	<b>Amount in Rs.</b>	Amount in Rs.
iii) In respect of :		
a) Service Tax	<b>27,613,630</b>	-
b) Others	<b>10,049,162</b>	55,685,726

**C.** Under the terms of the agreement between the Government of NCT of Delhi and the company, the Hospital project of the company has been put up on the land belonging to Government of NCT of Delhi. The Government of NCT of Delhi is committed to meet the expenditure to the extent of Rs. 154,780,000/- out of IMCL Building fund account (funds earmarked for the period) together with the interest thereon for construction of definite and designated buildings while the balance amount of the cost of the building will be borne by the Company. As at 31st March, 2014, the aforesaid fund, together with interest thereon amounting to Rs. 192,357,946/- have been utilized towards progress payments to contractors, advances to contractors, payments for materials, etc. The ownership of the building between Government of NCT of Delhi and the company will be decided at a future date keeping in view the lease agreement.

**D.** On a Public Interest Litigation (PIL) regarding free treatment in the hospital the Hon'ble Delhi High Court vide its order dated 22nd September, 2009 has held that free treatment provided by the hospital as per the terms of lease deed with Government of National Capital Territory of Delhi shall be inclusive of medicines and consumables. In response to the said order the company filed a Special Leave Petition in the Hon'ble Supreme Court for appropriate directions with a prayer to stay the judgment of the Hon'ble Delhi high court. The Hon'ble Supreme Court of India has admitted the Special Leave Petition and passed an interim order on 30.11.2009. In pursuance of the interim order, the Hospital is charging for medicines & medical consumables from patients referred by the Govt. of Delhi for free treatment in the Hospital.

**E. Employee benefits**

- (i) The summarized position of Post - employment benefits and long term benefits recognised in the Statement of Profit and Loss and the Balance Sheet as required in accordance with Accounting Standard - 15 (Revised) are as under:

	<b>2013-14</b>		<b>2012-13</b>	
	<b>Gratuity Funded</b>	<b>Leave Unfunded</b>	<b>Gratuity Funded</b>	<b>Leave Unfunded</b>
<b>(a) Expense recognised in Statement of Profit and Loss</b>				
Current Service Cost	<b>11,936,068</b>	<b>11,683,207</b>	10,625,467	11,634,453
Interest Cost	<b>7,343,826</b>	<b>4,911,541</b>	5,857,812	4,287,990
Expected return on Plan Assets	<b>(6,018,701)</b>	-	(5,078,895)	-
Net Actuarial (Gain)/ Loss recognised in the year	<b>(14,323,015)</b>	<b>(379,768)</b>	11,212,961	1,896,062
Total expenses recognised in the Statement of Profit and Loss	<b>(1,061,822)</b>	<b>16,214,980</b>	22,617,345	17,818,505
<b>(b) Amount recognised in the Balance Sheet</b>				
Present value of obligation as at the end of the year	<b>90,641,848</b>	<b>66,897,797</b>	91,797,822	61,394,262
Fair value of plan assets as at the end of the year	<b>91,703,670</b>	-	69,180,477	-
Unfunded net liability recognised in the Balance Sheet	<b>1,061,822</b>	<b>66,897,797</b>	(22,617,345)	(61,394,262)
<b>(c) Change in the present value of obligations</b>				
Present value of obligations at beginning of the year	<b>91,797,822</b>	<b>61,394,262</b>	68,915,438	53,599,872
Interest cost	<b>7,343,826</b>	<b>4,911,541</b>	5,857,812	4,287,990
Current service cost	<b>11,936,068</b>	<b>11,683,207</b>	10,625,467	11,634,453
Benefits paid	<b>(6,454,363)</b>	<b>(10,711,445)</b>	(6,141,125)	(10,024,115)
Actuarial loss / (gain) on obligations	<b>(13,981,505)</b>	<b>(379,768)</b>	12,540,230	1,896,062
Present Value of obligations at year end	<b>90,641,848</b>	<b>66,897,797</b>	91,797,822	61,394,262
<b>(d) Changes in fair value of plan assets</b>				
Fair value of plan assets at the beginning of the year	<b>69,180,477</b>	-	59,056,915	-
Expected return on plan assets	<b>6,018,701</b>	-	5,078,895	-
Employer contribution	<b>22,617,345</b>	-	9,858,523	-
Benefits paid	<b>(6,454,363)</b>	-	(6,141,125)	-

# Indraprastha Medical Corporation Limited

	2013-14		2012-13	
	Gratuity Funded	Leave Unfunded	Gratuity Funded	Leave Unfunded
Actuarial gain / (loss) on Plan Assets	341,510	-	1,327,269	-
Fair value of plan assets at the end of the year	91,703,670	-	69,180,477	-
<b>(e) Principal actuarial assumptions at the Balance Sheet Date (Expressed as weighted average).</b>				
Discount Rate	9.31%	8.50%	8.00%	8.00%
Expected rate of return on plan assets (In case of Gratuity Fund)	8.70%	-	8.70%	-
Expected rate of salary increase	5.00%	6.00%	5.00%	5.50%
Method used	Projected unit credit method		Projected unit credit method	

- (ii) The company's contribution to provident fund, pension fund and ESI scheme recognised as expense for the year are as under:

	Amount in Rs.	Amount in Rs.
- Contribution to Provident fund	32,850,960	25,916,232
- Contribution to Pension fund	17,203,280	20,528,268
- Contribution to ESI	2,763,462	4,697,985

- F.** Travelling and conveyance expenses include Rs. 1,235,167/- ( Previous year Rs. 1,336,562/- ) on account of Directors' travelling.

## G. Related party disclosures

				Amount in Rs.
Name	Relationship	Nature of Transactions	31st March, 2014	31st March, 2013
Apollo Hospitals Enterprise Limited	Associate	Pharmacy Consumables	127,898,906	133,712,446
		License Fees	10,338,000	10,338,000
		Commission on Pharmacy Sales	55,772,272	53,038,161
		Reimbursement of Expenses	10,111,462	17,800,041
		Assignment of Lease Deed	-	-
		Expenditure on Software License	20,000,000	-
		Account Payable	221,584,460	313,323,691
Apollo Sindoori Hotels Limited	Enterprises over which Directors are able to exercise significant influence	Purchase of services	-	12,480,947
		Account Payable	-	5,252
Dishnet Wireless Limited		Purchase of services	674,160	674,160
		Account Payable	-	-
Health SuperHiway (P) Limited		Purchase of services	-	784,052
		Account Payable	-	451,724
Faber Sindoori Management Services (P) Limited		Purchase of services	29,197,486	9,139,787
		Account Payable	996,618	778,262
Alliance Dental Care Limited		Share of revenue	9,600,000	-
		Account Payable	2,656,576	-
Apollo Munich Health Insurance Company Limited		Medical health insurance premium	27,177,742	27,830,291
Managing Director	Key Management Personnel	Remuneration to Managing Director	8,741,842	8,220,656
Non Executive Directors	Directors	Sitting fees	1,280,904	1,450,025
		Commission	4,001,747	3,418,034



- H.** The Basic earning per share (EPS) disclosed in the Statement of Profit and Loss has been calculated by dividing the net profit for the year ended 31st March, 2014 attributable to equity shareholders by the weighted average number of equity shares outstanding during the said financial year. The net profit attributable to equity share holders is Rs. 354,358,366/- (Previous Year Rs. 287,648,863/-) and the weighted average number of equity share is 91,673,000 (Previous Year 91,673,000) for this purpose.
- I.** The Company has no suppliers who fall into the category of Micro, Small and Medium Enterprises as defined in "The Micro, Small and Medium Enterprises Development Act, 2006". Hence there is no amount due to Micro, Small and Medium Enterprises for the year ended 31st March, 2014 (Previous Year Rs. Nil).
- J.** Fixed Assets includes expenditure amounting to Rs. 67,587,227/- (Previous Year Rs. 67,587,227/-) on building incurred by the company in connection with setting up 57 bedded hospital at Noida (U.P.). The hospital has been set up on land taken on lease by SABCO Medicare (P) Limited from Noida Authority. The rights of the lease deed has been acquired through an assignment deed in favour of the company from Apollo Hospital Enterprises Limited who are the Sub-lessee. The Sub-let agreement between SABCO Medicare (P) limited and Apollo Hospital Enterprises Limited is due for renewal .
- K.** Stores and Spares consumed includes Rs. 39,819,250/- on account of write off in respect of unutilised export benefit due to significant uncertainty as to their ultimate collection as on 31st March, 2014.
- L.** In accordance with the Accounting Standard , AS-28 on Impairment of Assets , the company has assessed whether any indications with regard to impairment of any assets exists as on the Balance Sheet date .Based on such assessment, it has been ascertained that there are no such indications and thereby no formal estimate of the recoverable amount has been made.
- M.** A Sum of Rs. 4,693,544/- (Previous year Rs. NIL) is included under other expenses representing Net Prior Period Items.

	2013-14 Amount in Rs.	2012-13 Amount in Rs.
<b>N. Earnings in Foreign Currency:</b>		
On account of Hospital Revenue	1,115,747,562	703,344,009
<b>O. Expenditure incurred in Foreign Currency:</b>		
On account of travel	28,790,884	15,915,129
On account of other matters	72,631,934	60,994,093
Outflow of Foreign Currency :		
On account of remittance of dividend	1,156,136	3,566,253
For financial year	2012-13	2011-12
Number of non-resident shareholders	23	26
Number of shares held by them	722,585	2,228,908
<b>P. Value of Imports on CIF basis:</b>		
Capital Goods	89,886,759	200,321,891
Stores & Spares	26,603,052	38,089,419
<b>Q. Payment to Auditors:</b>		
As audit fee	1,500,000	1,400,000
Tax audit fee	125,000	90,000
Other matters	5,618	-
Reimbursement of Expenses	144,672	66,138
<b>Total</b>	<b>1,775,290</b>	<b>1,556,138</b>
<b>R. Stores &amp; Spares Consumed</b>		

Particulars	2013-14 Amount in Rs.	%	2012-13 Amount in Rs.	%
Imported	29,838,291	1.98%	42,289,939	2.97%
Indigenous	1,480,525,911	98.02%	1,380,213,201	97.03%
<b>Total</b>	<b>1,510,364,202</b>	<b>100.00%</b>	<b>1,422,503,140</b>	<b>100.00%</b>

## Indraprastha Medical Corporation Limited

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- S.** The company is engaged in the healthcare business, materials consumed are of varied nature and include items of food, beverages, medical consumables etc. Therefore it is not feasible to give the details as required under Part II of Schedule VI to the Companies Act, 1956.
- T.** 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.
- U.** All figures have been rounded off to the nearest rupee.

As per our separate report of even date attached

**For S.C.Vasudeva & Co.**

Chartered Accountants

Firm Reg. No. 000235N

Abhinav Khosla  
Partner  
M. No. 87010

Ajay Kumar Singhal  
Vice President Cum  
Company Secretary

S. K. Srivastava  
Dr. Prathap C. Reddy  
Dr. B. Venkataraman

Chairman  
Vice Chairman  
Director

Place : New Delhi

Date : 23rd May, 2014

the human brain has the storage capacity of **100** trillion bits of information over the course of 70 years equal to 500,000 sets of the Encyclopedia Britannica, which when stacked would reach 442 miles high.



nerve impulses to and from the brain can travel as fast as

**170 MPH**

**2,100** gallons of blood are pumped through **62,000** miles of blood vessels in a day.



**80%**

of the brain is made up of H<sub>2</sub>O (water)



Your brain uses **20%** of the oxygen that enters your bloodstream

the human heart can create enough pressure to squirt blood

**30 FEET**



each kidney contains

**ONE MILLION**



**INDIVIDUAL FILTERS**



the lungs contain over

**300,000 MILLION**

capillaries

the eye focusing muscles move around **100,000** times per day



**90%** of all information is received by the eyes



**\$6,000,000,000,000,000<sup>#</sup>**  
**Priceless**

<sup>#</sup> As reported in The New York Times, 11<sup>th</sup> February, 1976, "The High Cost of Being Human"—Harold J Morowitz

Committed to preserving that which is **Priceless**. Apollo Hospitals.



**Indraprastha Medical Corporation Limited**

[CIN : L24232DL1988PLC030958]

Regd. Office: Sarita Vihar, Delhi-Mathura Road, New Delhi-110076


E-mail: [imclshares@apollohospitals.com](mailto:imclshares@apollohospitals.com) : Website: [www.apollohospdelhi.com](http://www.apollohospdelhi.com)


Phone: +91 11 26925858, 26925801 Fax: +91 11 26823629

**Listing Agreement – Clause 31(a)**

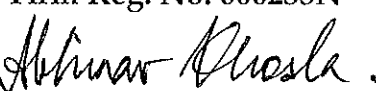
**FORM A**


1.	Name of the Company:	<b>Indraprastha Medical Corporation Limited</b>
2.	Annual financial statements for the year ended	<b>31<sup>st</sup> March, 2014</b>
3.	Type of Audit observation	<b>Un-qualified</b>
4.	Frequency of observation	<b>Nil</b>

  
**Jaideep Gupta**  
(DIN-02647974)  
Managing Director

  
**P. Shivakumar**  
(ACA - 201580)  
Chief Financial and Operating Officer



For M/s S C Vasudeva & Co.  
Chartered Accountants  
Firm Reg. No. 000235N  
  
**Abhinav Khosla**  
Partner  
M. No. 87010

  
**Dr. B. Venkataraman**  
(DIN-00040114)  
Chairman – Audit Committee