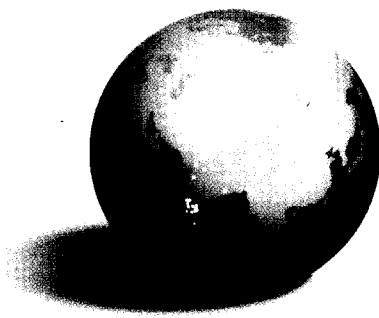


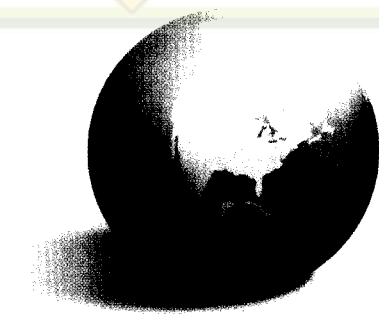
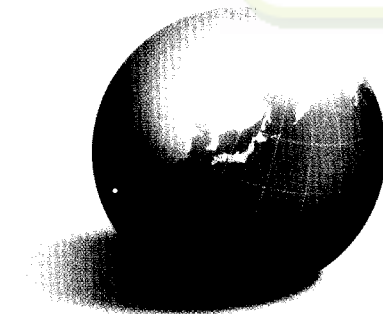


# Apollo Hospitals

*touching lives*



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**Apollo**  
since 1983

Annual Report 2002-2003



## Mission

Our mission is to bring healthcare of international standards within the reach of every individual. We are committed to the achievement and maintenance of excellence in education, research, and healthcare for the benefit of humanity.



## Theme

Alvin Toffler, in his book **Future Shock** says that if the age of the earth from the big bang to the 21<sup>st</sup> century represents a year then the period since the time the first human walked on the planet would not be more than a couple of hours. Rather a humbling thought. In that context twenty years is hardly that long a period, Relatively speaking.

At Apollo, twenty years has been a saga, with all the success and excitement that dreams are made of. Back in 1983 a visionary set the foundation of the first state-of-the-art corporate hospital in India. Today we are an institution, a beacon that continues to light the way in India's evolving health space.

Growth, the core of any success story, has been something we are very proud of. Our reach has grown from a 150 beds to 6000. However more than the actual growth, it is the manifestation of this growth that we hold so close to our hearts. Apollo today has touched 10 million people. That is 10 million lives we have enriched and nurtured.

Excellence and expertise both catchphrases in health care today are cornerstones of the Apollo experience.



Apollo has had to continuously redefine excellence and levels of expertise. It is this ceaseless pursuit for higher ground that has instilled the Apollo group as the benchmark of healthcare in India.

Twenty years old or twenty year young ? A question that will necessarily prompt a myriad of responses. But no matter how we look at it, at the core we unanimously believe that the last twenty years have been a glorious experience. A dream fulfilled. As we stand on the threshold of the third decade, we have the resources and the learning to lead us forward as we continue to create and augment value for our patients, our employees and all our stakeholders to enrich their lives.

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## Board of Directors

**Executive Chairman:** Dr. Prathap C Reddy

**Managing Director:** Smt. Preetha Reddy

**Director - Finance:** Smt. Suneeta Reddy

**Director - Operations:** Smt. Sangita Reddy

**Directors:** Shri P.Obul Reddy

Shri T.M. Joseph

Shri Rajkumar Menon

Shri Rafeeqe Ahamed

Shri N. Vaghul

Shri Anil Thadani

Shri Deepak Vaidya

Shri T. K. Balaji

Shri Habibullah Badsha

Shri Sanjay K Sehgal

(Alternate Director to Shri Anil Thadani)

Shri M. Chittaranjan Kumar

(IDBI - Nominee)

**Chief Financial Officer**

**& Company Secretary:** Shri S.K. Venkataraman

**President:** Shri K. Padmanabhan

**Chief Executive Officer:** Shri George Eapen

## Corporate Information

**Auditors:** M/s S. Viswanathan,  
Chartered Accountants, Chennai

**Bankers:** Indian Overseas Bank. Andhra Bank. Canara Bank.  
Indian Bank. State Bank of Travancore. Citibank.  
IDBI Bank. HDFC Bank. ICICI Bank. UTI Bank

**Financial Institutions:** HDFC. IDFC. IDBI. UTI.

**Registered Office:** #19, Bishop Gardens,  
Raja Annamalaipuram, Chennai - 600028

**Administrative Office:** 'Ali Towers' #55, Grems Road, Chennai - 600006  
E-mail: apolloshares@vsnl.net;  
www.apollohospitals.com; www.apollolife.com

### Apollo Hospitals

**Chennai:** #21&24, Grems Lane, Off. Grems Road, Chennai - 600006  
#320, Anna Salai, Nandanam, Chennai - 600035  
#646, T.H. Road, Tondiarpet, Chennai - 600081

**First Med Hospital:** #154, Poonamallee High Road, Chennai - 600010

**Hyderabad:** Jubilee Hills, Hyderabad - 500033  
#3-5-871/4/1, Hyderguda, Hyderabad - 500029  
Plot #90, P&T Colony, Vikrampur, Secundrabad - 500003  
#3-6-96/1, Skylane Theatre Lane,  
Basheerbagh, Hyderabad - 500029

**Madurai:** Lake View Road, KK Nagar, Madurai - 625020

**Vishakapatnam:** #10-50-80, Waltair Main Road, Vishakapatnam - 530002

**Bilaspur:** Lingiyadi Village, Bilaspur - 495001, Chattisgarh

**Aragonda:** Aragonda, Chitoor District, Andhra Pradesh

**Ahmedabad:** Plot No. 1A, GIDC Estate, Bhat Village,  
Gandhi Nagar, Gujarat - 382 428.

**Colombo:** #578, Elvitigala Mawatha, Colombo - 5, Sri Lanka.

**Dubai:** Belhoul Apollo Hospitals, Dubai, UAE.

**Kolkata:** Apollo Gleneagles Hospitals, 58, Canal Circular Road, Kolkata

**Life Style Centers:** #105, GN Chetty Road, T Nagar, Chennai - 600017  
#T-95, 3rd Avenue, Anna Nagar, Chennai - 600 040  
City Centre, 445, Mint Street, Chennai - 600 079.  
Apollo Dental Clinic, # 56, Grems Road, Chennai - 600 006.  
Apollo Gleneagles Clinic, 48/1F, Leela Roy Sarani,  
Ghariahath, Kolkata - 700 019.



## Notice to the Shareholders

Notice is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the Company will be held at 10.00 a.m. on Friday, the 22<sup>nd</sup> day of August 2003 at Kamaraj Arangam, No. 574-A Mount Road, Teynampet, Chennai - 600 018 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2003 and the Balance Sheet as at that date, the Directors' and Auditors' Report thereon.
2. To approve and ratify 10% dividend paid on outstanding Cumulative Redeemable Preference Shares for the year ended 31<sup>st</sup> March 2003.
3. To declare a dividend of Rs. 3/- per equity share for the year ended 31<sup>st</sup> March 2003.
4. To appoint a Director in the place of Smt. Suneeta Reddy, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in the place of Smt. Sangita Reddy, who retires by rotation and being eligible, offers herself for re-appointment.
6. To appoint a Director in the place of Shri. Anil Thadani, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint a Director in the place of Shri. Deepak Vaidya, who retires by rotation and being eligible, offers himself for re-appointment.
8. To appoint Auditors for the current year and fix their remuneration, M/s S. Viswanathan, Chartered Accountants, Chennai, retire and are eligible for re-appointment.

### SPECIAL BUSINESS :

#### Item No. 9 :

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

"RESOLVED THAT pursuant to Section 269 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, the re-appointment of Smt. Preetha Reddy as Managing Director of the Company for a period of three years from 3<sup>rd</sup> February 2003 to 2<sup>nd</sup> February 2006 be and is hereby approved. "

"RESOLVED FURTHER THAT pursuant to Section 309 read with Section 198 and Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of remuneration equivalent to 2% of the net profits of the Company (as determined in accordance with the provisions of Companies Act, 1956), to Smt. Preetha Reddy, Managing Director of the Company for each financial year."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year, Smt. Preetha Reddy be paid minimum remuneration as specified in Section II(A) of Part II of Schedule XIII to the Companies Act, 1956 as in force in each year."

"RESOLVED FURTHER THAT the remuneration approved hereby be paid either monthly or quarterly or half yearly or otherwise as may be agreed to between the Managing Director and the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### Item No. 10 :

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

"RESOLVED THAT pursuant to Section 269 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, the re-appointment of Smt. Suneeta Reddy as Wholetime Director designated as Director - Finance of the Company for a period of three years from 3<sup>rd</sup> February 2003 to 2<sup>nd</sup> February 2006 be and is hereby approved."

"RESOLVED FURTHER THAT pursuant to Section 309 read with Section 198 and Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of remuneration, perquisites and benefits as detailed below to Smt. Suneeta Reddy, Wholetime Director designated as Director - Finance, with liberty and powers to the Board of Directors (including its committee appointed for the purpose) to grant increments and to alter and vary from time to time the amount and type of perquisites payable to Smt. Suneeta Reddy within the limits specified in Schedule XIII of the Companies Act, 1956 as in force in each year".

- I. Salary - Rs. 125,000/- per month.
- II. Smt. Suneeta Reddy shall be eligible to the following perquisites, which shall not be included in the computation of the remuneration specified above.
  - a. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act 1961.
  - b. Gratuity as per the Rules of the Company.
  - c. Leave with full pay as per the Company's Rules. Encashment of Leave at the end of tenure is permitted.
- III. The Company shall provide a car for official use on Company's business and telephone at the residence of Smt. Suneeta Reddy.

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year, the above remuneration, perquisites and benefits be paid to Smt. Suneeta Reddy as minimum remuneration subject to the provisions of Section

11(A) of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### Item No. 11 :

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

"RESOLVED THAT pursuant to Section 269 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, the re-appointment of Smt. Sangita Reddy as Wholetime Director designated as Director - Operations of the Company for a period of three years from 3<sup>rd</sup> February 2003 to 2<sup>nd</sup> February 2006 be and is hereby approved."

"RESOLVED FURTHER THAT pursuant to Section 309 read with Section 198 and Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of remuneration, perquisites and benefits as detailed below to Smt. Sangita Reddy, Wholetime Director designated as Director - Operations, with liberty and powers to the Board of Directors (including its committee appointed for the purpose) to grant increments and to alter and vary from time to time the amount and type of perquisites payable to Smt. Sangita Reddy within the limits specified in Schedule XIII of the Companies Act, 1956 as in force in each year".

- I. Salary Rs. 125,000/- per month.
- II. Smt. Sangita Reddy shall be eligible to the following perquisites, which shall not be included in the computation of the remuneration specified above.
  - a. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act 1961.
  - b. Gratuity as per the Rules of the Company.





- c. Leave with full pay as per the Company's Rules.  
Encashment of Leave at the end of tenure is permitted.

III. The Company shall provide a car for official use on Company's business and telephone at the residence of Smt. Sangita Reddy.

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year, the above remuneration, perquisites and benefits be paid to Smt. Sangita Reddy as minimum remuneration subject to the provisions of Section II(A) of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board  
For APOLLO HOSPITALS ENTERPRISE LIMITED

Place : Chennai

Dated : 21<sup>st</sup> July, 2003

S.K. Venkataraman  
Chief Financial Officer &  
Company Secretary

#### Notes :

1. A member entitled to attend and vote at this 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 and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or authority shall be deposited at the Secretarial Department, Ali Towers, No. 55 Grems Road, Chennai - 600 006 not later than 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from 13<sup>th</sup> August 2003 to 22<sup>nd</sup> August 2003 (both days inclusive).
4. Dividend upon its declaration at the meeting will be paid to those members whose names are appearing in the Register of Members of the Company as on 22<sup>nd</sup> August 2003.

5. 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 ready.

6. All documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

7. The Company has already transferred all unclaimed dividend declared upto 31<sup>st</sup> March 1994 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those Shareholders who have so far not claimed or collected their dividend up to the aforesaid financial year may claim their dividend from the Registrar of Companies, Tamil Nadu, Shastri Bhavan, Haddows Road, Chennai - 600 006.

8. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, as amended, the Company has transferred all unclaimed dividend for the financial year ended 31<sup>st</sup> March 1995 to the Investor Education and Protection Fund (IEP Fund) established by Central Government pursuant to Section 205C of the Companies Act, 1956. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund, no claim shall lie in respect thereof.

9. Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, as amended, dividend for the financial year ended 31<sup>st</sup> March 1996 and thereafter, which remain unpaid or unclaimed for a period of 7 years 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 31<sup>st</sup> March 1996 or subsequent financial years are requested to make their claim to the Secretarial Department, Ali Towers, III Floor, No.55 Grems Road, Chennai - 600 006. 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.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below :-

Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming unpaid dividend
31.03.1996	25.09.1996	24.09.2003
31.03.1997	15.09.1997	14.09.2004
31.03.1998	10.09.1998	09.09.2005
31.03.1999	10.09.1999	09.09.2006
31.03.2000 (Interim)	01.05.2000	30.04.2007
31.03.2000 (Final)	20.09.2000	19.09.2007
31.03.2001	17.09.2001	16.09.2008
31.03.2002	19.09.2002	18.09.2009

10. Members are requested to notify any change in their address, mandates etc., to the Company's Registrar and Share Transfer Agents, M/s. Integrated Enterprises (I) Limited, Kences Towers, II Floor, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017.

In case of dematerialized shares, the change of address requests, bank mandates etc should be directly sent to the Depository Participants concerned.

#### 11. Electronic Clearing Service (ECS) Facility

With respect to payment of dividend, the Company provides the facility of ECS to shareholders residing in the following cities :

**Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram.**

Shareholders holding shares in the physical form who now wish to avail ECS facility, are requested to forward their ECS mandate in the prescribed form to Company's Registrar and Share Transfer Agent, M/s. Integrated Enterprises (I) Limited.

12. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s Integrated Enterprises (I) Limited.

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

#### Item No. 9 :

The tenure of appointment of Smt.Preetha Reddy as Managing Director came to an end on 2<sup>nd</sup> February 2003. Considering the valuable contribution made by Smt. Preetha Reddy to the Company during her tenure, the Board of Directors at its meeting held on 28<sup>th</sup> January 2003 re-appointed Smt. Preetha Reddy as Managing Director for a further period of 3 years with effect from 3<sup>rd</sup> February 2003 on the remuneration determined by the Remuneration Committee of the Board of Directors subject to approval of the members in the ensuing Annual General Meeting.

The Remuneration Committee of the Board of Directors has recommended the same remuneration as was previously approved by the shareholders at the Annual General Meeting held on 20<sup>th</sup> September 2000 i.e, remuneration equivalent to 2% of the net profits of the Company as set out in the Item No.9 of this Notice.

The Board recommends the resolution to the members for their approval.

#### Memorandum of Interest of Directors

Smt. Preetha Reddy is interested in this Resolution. Further Dr. Prathap C Reddy, Smt. Suneeta Reddy, Shri. P. Obul Reddy and Smt. Sangita Reddy, who are the relatives of Smt. Preetha Reddy are deemed interested in this Resolution.

#### Item No. 10 :

The tenure of appointment of Smt. Suneeta Reddy as Wholetime Director designated as Director - Finance came to an end on 2<sup>nd</sup> February 2003. Considering the valuable contribution made by Smt. Suneeta Reddy to the Company during her tenure, the Board of Directors at its meeting held on 28<sup>th</sup> January 2003 re-appointed Smt. Suneeta Reddy as Wholetime Director designated as Director - Finance for a further period of 3 years with effect from 3<sup>rd</sup> February 2003 on the remuneration determined by the Remuneration Committee of the Board of Directors subject to approval of the members in the ensuing Annual General Meeting.

The Remuneration Committee of the Board of Directors has recommended the same remuneration as was previously approved by the shareholders at the Annual