

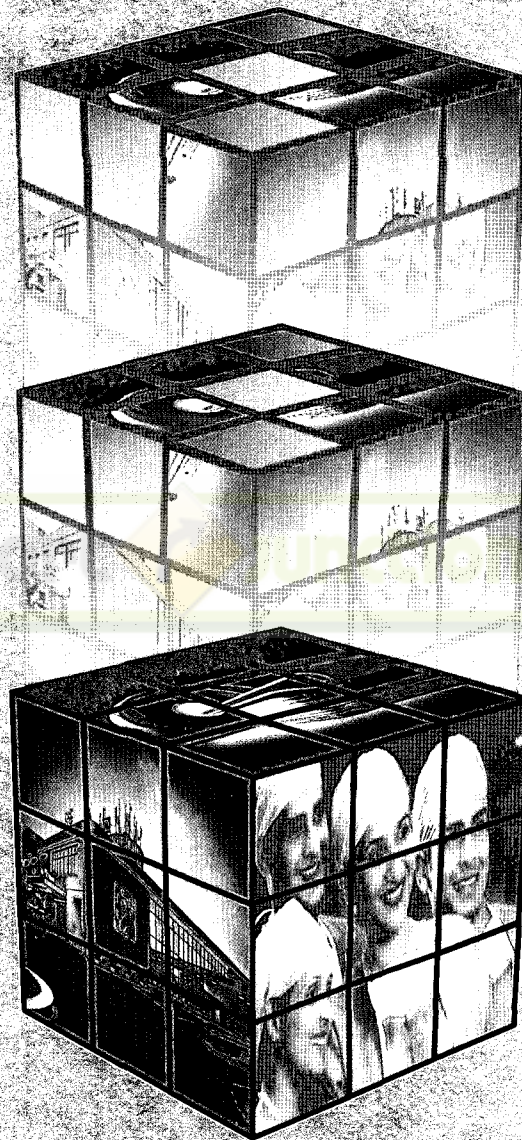


Indraprastha Apollo Hospitals

Touching lives

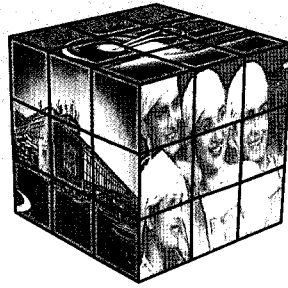
DELHI

19th Annual Report 2006-2007



Creating One of India's Most Valuable Healthcare Company

INDRAPRASTHA MEDICAL CORPORATION LIMITED



*Started as a game,
Rubik's Cube developed in to a philosophy,
where the objective is to
bring alignment and order
through a judicious combination
of the individual elements,
thus adding value to the whole.*

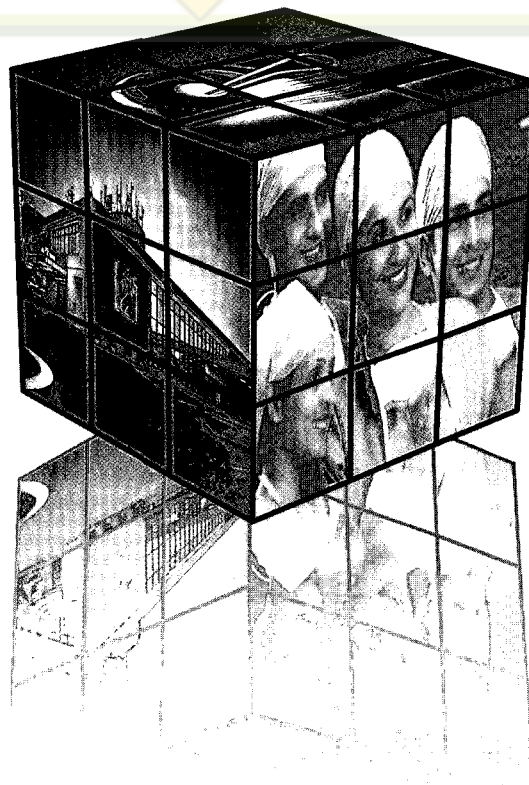
*A philosophy that reflects
the theme of this Annual Report,
demonstrating
Indraprastha Apollo Hospitals' capability
in blending its assets
to form one of
India's Most Valuable Healthcare Company.*

Creating one of India's Most Valuable Healthcare Company

Indraprastha Apollo Hospitals, has emerged as one of the most valuable healthcare institution in India, through a judicious fusion of assets - technological, infrastructural, human and intellectual. Creating a combination that is worth several times more than the individual assets.

Much like the truly invaluable human body. The complexities of the working of the various organs, their *inter relationships*, the *impact that* they severally and jointly have, not just on the physical body but also on the state of emotional health, continue to astound the human mind. Obviously like any complex mechanism, the value of the entire body is much more than the value of the individual constituents. It is the wellness of this human body that Indraprastha Apollo Hospitals' entire efforts are directed at.

In pursuit of its mission to treat illness and promote wellness of the human being, Indraprastha Apollo Hospitals constantly sets standards and redefines healthcare delivery. Honing skills to offer patient care par excellence. In the process enriching the business and enhancing shareholders' wealth. Wise investment decisions have resulted in a healthy buildup of assets. One complementing the other and leading to a combined value far greater than the sum of the individual constituents. Positioning Apollo Hospitals Group as a global medical powerhouse, ranked amongst the top hospital groups of the world and the repository of the trust of millions around the globe.



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Dr. Prathap C Reddy, Founder - Apollo Hospitals Group



"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"

Dr. Prathap C Reddy
Founder - Apollo Hospitals Group



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

MESSAGE

Dear Shareholders,

It's been almost two decades since Indraprastha Apollo Hospitals was set up in New Delhi, result of the joint venture between the Apollo Group of Hospitals and the Delhi Government. In every year of its journey, this dynamic public – private partnership has touched more and more lives, providing medical excellence with a human touch.

Indraprastha Apollo Hospitals has emerged as a pioneer in its class. Always a step ahead in terms of latest technology and advanced surgery, India's first internationally accredited Hospital has set the highest standards for the country's private healthcare systems.

It reminds me of the Rubik's Cube, where through a series of well thought out moves, one attempts to bring a visible symmetry in a system which to begin with, seems to be in a state of disarray and filled with apparently unrelated elements. The trick lies in aligning individual pieces, without losing sight of every link it has and the effect each piece can have on every other piece.

It gives me immense satisfaction to note that at all the Apollo Group Hospitals, we have achieved a perfect orchestration of all the inputs. While we have created assets in every relevant field – technological, infrastructural, human and intellectual resources, we have also made sure that we have blended these to have a result far more effective than what a simple sum of the individual constituents would have delivered.

For example, a judicious combination of our prowess in technology and manpower helped us maintain the highest standards. This in turn helped in four of our hospitals being awarded the JCI accreditation, giving us the distinction of being the only such hospital group in Asia. And more importantly, this recognition is actually acting as a powerful motivator for all our employees. A potent blend of two strong emotions – pride and responsibility, that is perceptibly building a sense of ownership and loyalty. For the patients, this has meant a demonstrable improvement in clinical outcome and safety. Very gratifyingly, this is true of the other hospitals too in our group which are not yet JCI accredited. JCI accreditation also means an assurance of international clinical standards and patient safety and acceptance by overseas health insurance providers. This has opened up enormous opportunities for us in terms of patients from other countries coming to Apollo Hospitals for advanced treatments.

Many of our initiatives have been influenced by critical needs that have developed in the society. Several disease patterns are changing, affecting a larger number of people and that too in populations hitherto considered safe. For instance, incidence of chest pain has grown alarmingly and many cases turn serious, as often, timely medical help is not available. Apollo Hospitals' initiative in this area is indeed ambitious. It involves setting up a chain of Chest Pain Clinics all over the country. In the first year itself we are planning about 100 clinics, some in association with partner hospitals. Making sure that the best of attention is available at a clinic close enough to render immediate assistance.

The standards that we maintain, the outcomes that we have achieved and the technologies that we use have all placed Apollo Hospitals Group amongst the most respected. And our consultants are world renowned, acknowledged as experts and respected as fine doctors. Capable of adopting and adapting the latest and best technologies and demonstrating their dedication through clinical outcomes matching global standards. Honours have been heaped upon them. This year too, a few of my colleagues have joined our long roll of National Awardees, proving once again what I always believe in "do your duty and the fruits will follow"

Medical insurance is one area where though there is some development, India has a long way to go. The situation is quite poignant with on the one hand the penetration of insurance being very low and on the other, the cost of quality treatment not being affordable for most people. The answer very obviously is preventive health checks, which help in two ways, avoiding the high cost of treatment at later stages and preventing the likely complications, if timely treatment is not provided. And here, your Company has done yeoman work. The concept of health check packages pioneered by us continues to be one of our major focus areas and has also become the standard that numerous hospitals across the country follow. At the same time, we also have plans to promote health insurance in association with some leaders in the field.

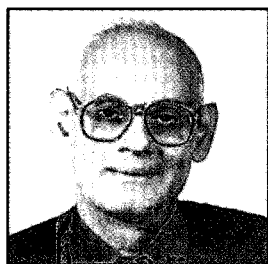
You will be happy to know that your Company continued its efforts in social causes. SACH (Save A Child's Heart) did exemplary work in screening and treating several children with congenital heart diseases. And so did SAHI, bringing succour to numerous patients with hearing impairment.

Among the several reasons for Apollo Hospitals Group success are two that are of paramount importance. One, the support and encouragement I have consistently received from all of you. And two, the unstinted efforts of every employee in our Group. Not sheer compliance with the duties assigned, but going beyond and driven by a passion to excel. It is these elements of individual expertise that have made Apollo Hospitals Group a giant edifice of excellence. Positioning us firmly as the most valuable healthcare company in the country.

Even as I look back at the last twenty five years with contentment, I am sure that the path and pace we have set for ourselves will see Apollo Hospitals Group climbing even greater heights in the years to come.

Dr. Prathap C. Reddy

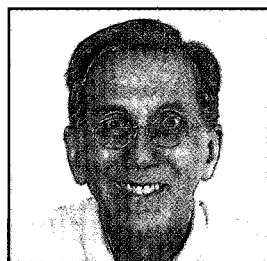
Board of Directors



Mr. Ramesh Narayanaswami
Chairman



Dr. Prathap C. Reddy
Vice-Chairman



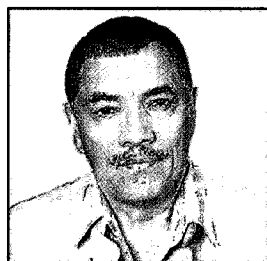
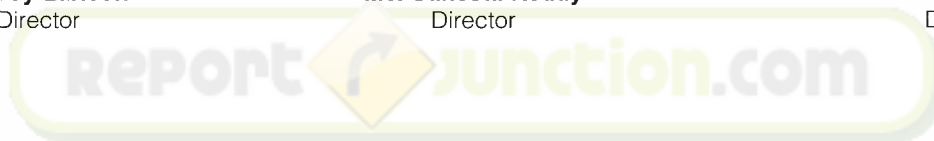
Mr. Richard Leroy Larison
Managing Director



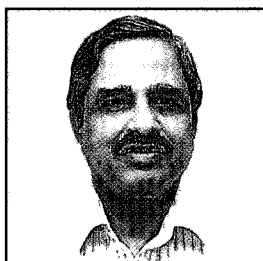
Ms. Suneeta Reddy
Director



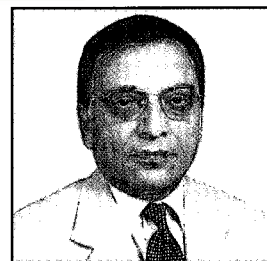
Ms. Renu S. Karnad
Director



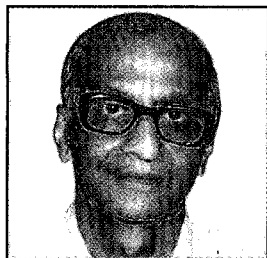
Mr. D.S. Negi
Director



Mr. V.V. Bhat
Director



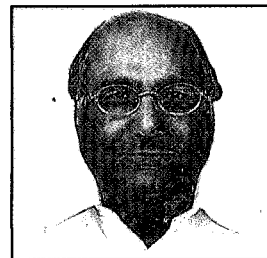
Lt. Gen. (R) Vijay Lall
Director



Dr. B. Venkataraman
Director



Mr. V.R. Reddy
Director

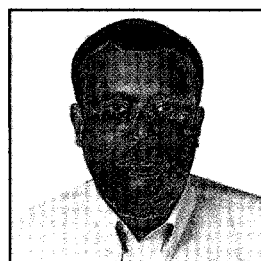


Mr. Satnam Arora
Director

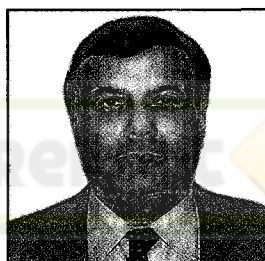
Senior Management Team



Dr. Anupam Sibal
Director Medical Services



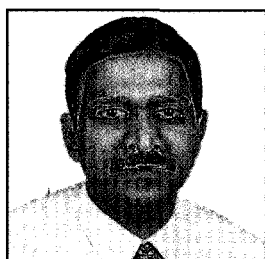
Mr. Jaideep Gupta
Chief Executive Officer



Mr. Anil Maini
President Corporate
Development



Mr. A.K. Singhal
Vice President cum
Company Secretary



Mr. P. Shivakumar
Vice President Finance



Ms. Usha Banerjee
Director Nursing Services



Ms. Anjali Kapur Bissel
Vice President
Corporate Communication

AUDITORS

M/s. S.C. Vasudeva & Co.
Chartered Accountants
New Delhi

BANKERS

Oriental Bank of Commerce
UTI Bank Limited

REGISTERED OFFICE & HOSPITAL COMPLEX

Sarita Vihar,
Delhi-Mathura Road,
New Delhi – 110076

HOSPITAL AT NOIDA

Apollo Hospitals,
E-2, Sector-26,
Noida - 201301

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Place : New Delhi
Date : 26th July, 2007