



INDRAPRASTHA MEDICAL CORPORATION LIMITED

21st Annual Report 2008-2009

A YEAR OF CARING



Dear Members,

It gives me great pleasure to look back at the year gone by with you all. It was indeed a year marked with many landmark achievements. The installation of the CyberKnife, the introduction of the 320 Slice CT Scanner, the launch of an exclusive children's hospital and several other new initiatives kept us busy and excited throughout the last year. These positive developments were brought about because we care about making a change in India's healthcare landscape - a goal that has been dear to our hearts from the very beginning.

Apollo - for over 25 years - has continuously excelled and maintained leadership in medical innovation, world-class clinical services and cutting edge research. With a network of over 8000 beds at culturally diverse locations, over 4000 top class clinicians and a total employee strength of 60,000 professionals, we are one of the largest hospital groups in the world, and our hospitals are consistently ranked amongst the best hospitals globally for advanced medical services. We are growing in recognition as a healthcare system of the future.

So, how did we make it to this enviable spot high above the others? What is the driving force behind all our achievements? I have no doubt that it is the care we have for every single patient who walks into our facilities. This quality of ours keeps us on our toes to bring the best in healthcare to our fellow Indians. Be it in the metros or the remote villages; be it for the just born or the old, at Apollo we touch lives in a very personal way.

Caring for tomorrow

Our country is expected to witness a rise in the incidence of lifestyle-related and other diseases. Today, India is the diabetic capital of the world. By the year 2015, cases related to heart disease are expected to go up by 60 percent. That will make India the heart disease capital of the world. No single nation can treat all its sick people. But what it can do is create awareness. Apollo will join the nation in its efforts to create a well informed and healthy society.

By the year 2012, the healthcare industry in India is expected to reach over US \$ 75 billion. Rising income levels are pushing for better facilities in the country. According to the Technopak Advisors report, India needs to add 3.1 million beds by 2018 to the existing 1.1 million. To meet this target, our country needs to invest US \$ 50 billion every year, for the next 10 years.

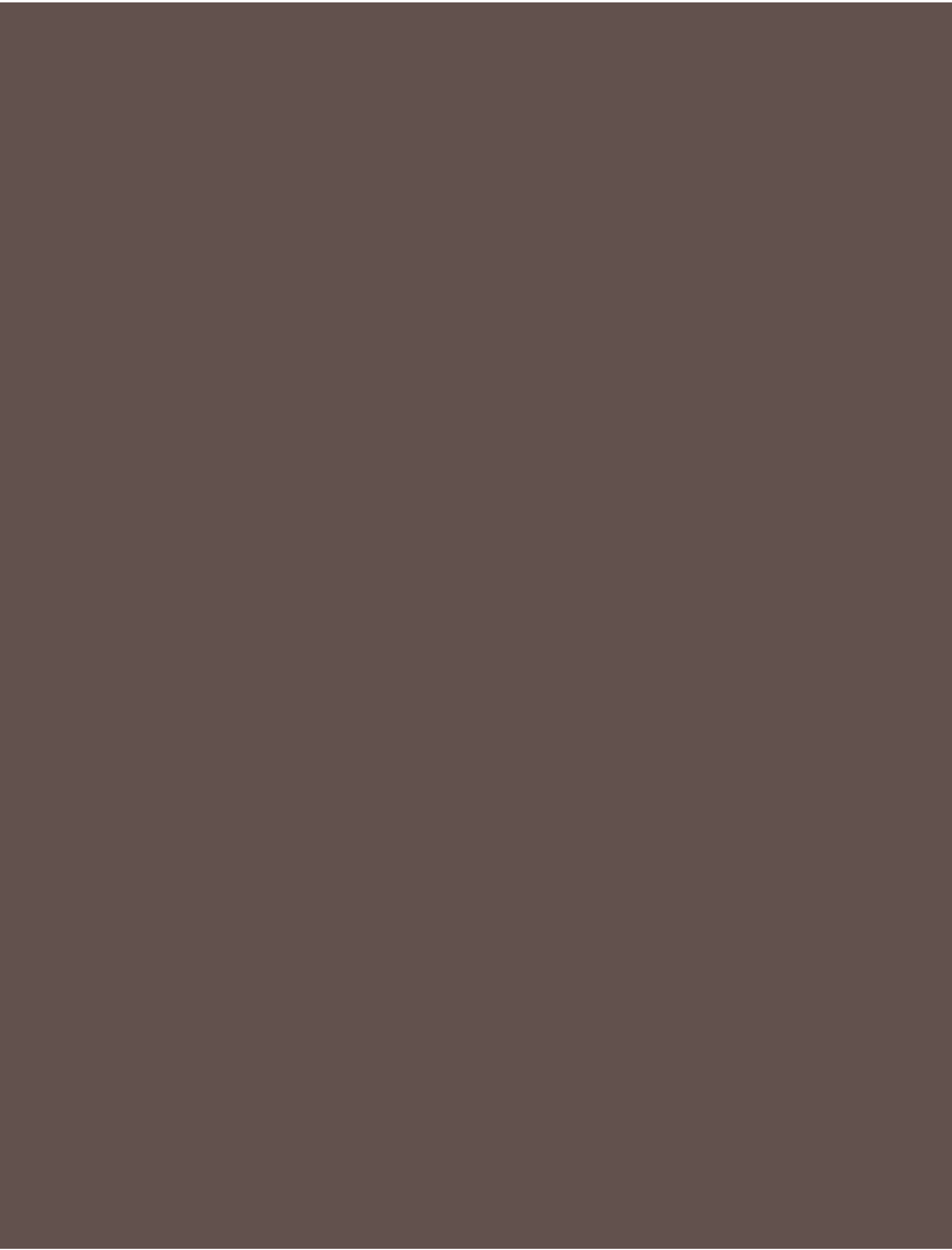
At Apollo, we care about these growing demands. We are constantly planning and implementing measures that will take care of the health of tomorrow's India. As I mentioned earlier, we are focusing our efforts and investing our resources towards educating people on the importance of awareness, prevention and early detection. We believe that this is the best and the only way to build a healthy India of tomorrow.

Caring for today

While we are taking a systematic approach to strengthen our future, we are also expanding our current infrastructure through various innovative launches and introduction of cutting-edge medical technology in our hospitals.

Care that gives confidence to every cancer patient

India recorded the highest number of deaths due to various types of cancer last year. According to a recent survey from the Indian Council of Medical Research, nearly 25 lakh people are suffering from this dreadful disease in our country. At Apollo, we care for these people. We want to give them something better, something world-class to fight this deadly disease with. This led to the installation of Asia Pacific's most advanced and India's first CyberKnife at Apollo Speciality Cancer Hospital, Chennai, a boon to the millions of cancer patients in our country.



Care that gives patients peace of mind through accurate diagnosis

Another key addition to our infrastructure is India's first 320 Slice CT Scanner, the world's most advanced technology in diagnostic imaging. With the presence of this advanced non-invasive tool, Apollo Hospitals now has the capacity to offer highly advanced cardiac, neuro and whole body diagnostic services on par with the most advanced cancer hospitals in the world. We have also installed the Novalis Tx Radiosurgery, one of the world's most powerful & versatile platforms for Non-Invasive, Image-Guided Radiosurgery.

Caring for our children

Our new, exclusive children's hospital, the Apollo Children's Hospital is a 100-bed facility complete with an NICU, Isolation Ward, three operation theatres, general ward, cheerful private rooms and tasteful suites. A lot of foreign patients too are benefitting from this new initiative.

Caring for the health of the rural Indian

Our pioneering initiative to provide world-class healthcare to semi urban and rural India saw the inauguration of Apollo Reach Hospitals at Karimnagar, Andhra Pradesh. Work is in progress to open 25 Apollo Reach Hospitals over the next two years across India.

Care that brought in new developments

During the year, 261 new pharmacies were added to the already existing 661 pharmacies, making Apollo the pioneers of India's largest pharmacy chain with 922 pharmacies. A major expansion drive, to add 4,000 beds over the next 4 years, is in progress.

We are in the process of implementing new projects at Bhubaneswar, Vishakhapatnam, Mumbai and many other places. A Project Management Agreement has been signed with Ashok Birla Apollo Hospitals Enterprise Ltd., for setting up a 225 bed tertiary care hospital at Thane.

To enhance patient comfort, a fully automatic Multi Level Car Parking (MLCP) facility is under implementation near Apollo Main Hospital, Chennai.

Caring to touch new horizons

Apollo has entered into a Joint Venture with British American Hospitals Enterprise Ltd. (BAHEL) along with BAI Medical Centres Ltd., a subsidiary of British American Investment Company (Mauritius) Ltd., to open the Apollo Bramwell Hospital in Mauritius. Another Joint Venture has been formed with Lavassa Corporation Ltd. to establish a healthcare city at Lavassa, a hill station near Pune.

During the past year, we saw increased activity in executing and managing international projects despite the global economic slowdown. Some key projects are also being handled in Vienna, the Middle East, Africa and Asia.

Caring for growth

25 years ago when it all began, we had a specific goal - to make India the best healthcare destination in the world. Today I am proud to see this goal achieved. We have brought world-class medical facilities well within the easy reach of every Indian. Today, there is no ailment that cannot be treated in our hospitals in India. In fact, people from other countries are coming to India to get treated at Apollo Hospitals. We have revolutionized the way Indians get medical attention. I have no doubt that we have outgrown several big names in the healthcare sector of the world in terms of technology, facilities and service. As we grow further and touch new horizons, our commitment to caring for every single patient's needs finds renewed strength. And I am sure this will stand us in good stead in the years to come.



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



Caring for clinical outcomes

Indraprastha Apollo Hospitals currently performs around 2000 cardiac surgeries, 400 joint replacements, 1000 onco-surgeries, 90 liver transplants and 135 renal transplants in a year.

The first successful paediatric liver transplant, cadaver liver transplants and combined liver kidney transplants in India were done at Indraprastha Apollo Hospitals.

The first successful key hole by pass surgery in India was also done at Indraprastha Apollo Hospitals.

The next milestone is just around the corner.





Caring

for our knowledge and talent pool

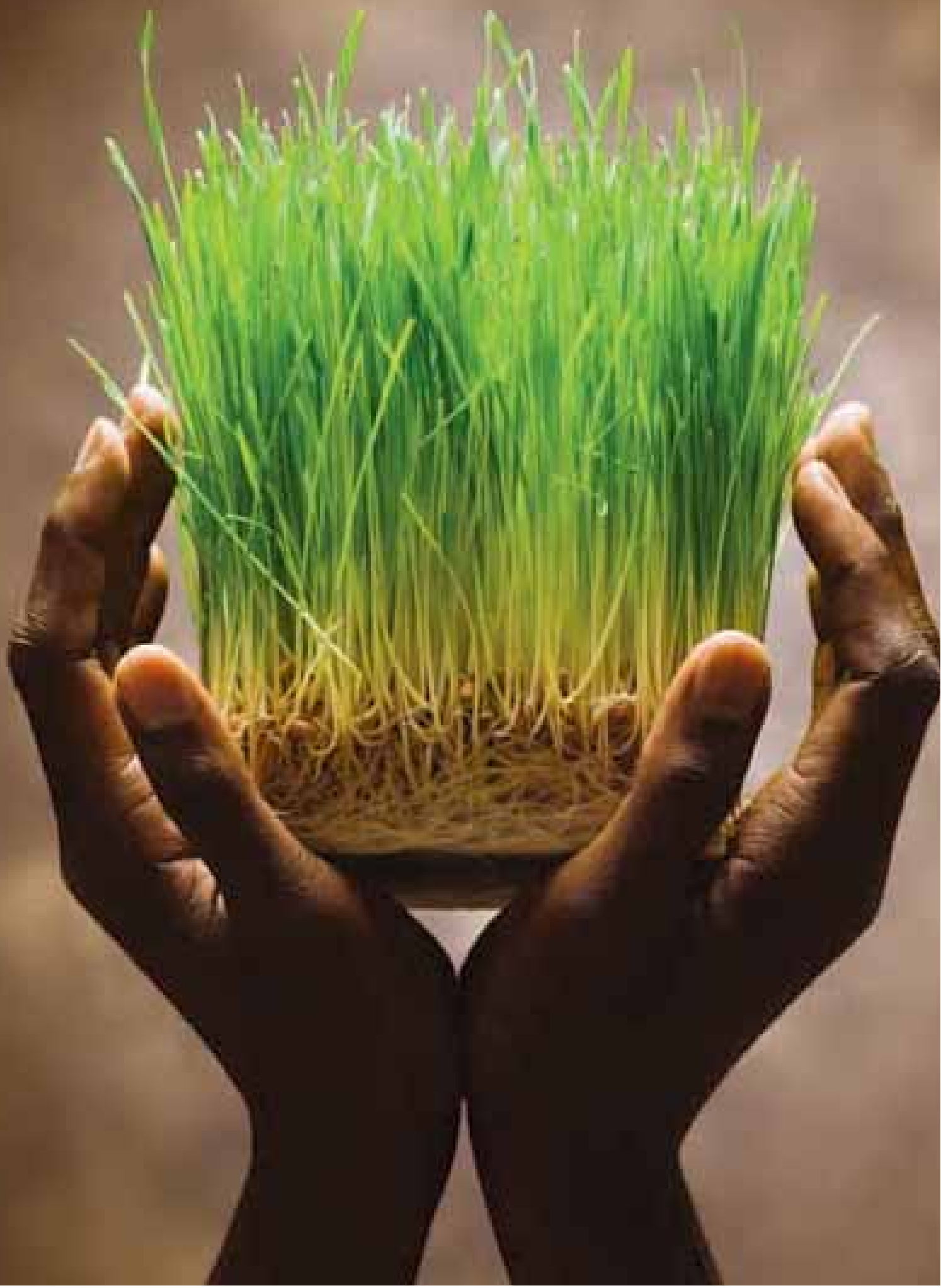
Apollo has for many years been the first choice of the best medical talent in the country. The many awards that our doctors have received over the years bear testimony to this claim.

5 B. C. Roy awards. 2 Honorary Physicians to President of India. 7 Padma Shree awards. 1 Padma Bhushan award. All these are just the highlights among the many other accolades that have been conferred upon our doctors at Indraprastha Apollo Hospitals.



Caring for service standards

We refuse to benchmark ourselves against the best in the country. Instead we do it with the best in the world. The Apollo Clinical Excellence (ACE) model has been conceived and implemented across all hospitals in the group to ensure healthcare delivery that's nothing short of world class. Indraprastha Apollo Hospitals has consistently scored well in the ACE scorecard.



Caring for our bottom line

Of prime importance in delivering quality healthcare to the masses is the good health of Indraprastha Apollo Hospitals itself. We take pride in reporting a bottom line that's in the pink of health, and will help us consistently deliver on the Indraprastha Apollo Hospitals promise in the years to come.





Caring to look beyond

Much as we have achieved, we are always making that extra effort to do a little more. 175 beds are being added to meet the ever growing demand. New thrust is being initiated in the development of areas of future e.g. clinical genetics & genomics.

Apollo Hospitals, Noida is gearing up for National Accreditation Board for Hospital and Healthcare providers (NABH) Certification.

Board of Directors



Mr. Rakesh Mehta
Chairman



Dr. Prathap C. Reddy
Vice-Chairman



Mr. Jaideep Gupta
Managing-Director



Ms. Suneeta Reddy
Director



Mr. Anil Kamineni
Director



Ms. Renu S. Karnad
Director



Mr. J.P. Singh
Director



Mr. V.V. Bhat
Director



Dr. B. Venkataraman
Director



Lt. Gen. (R) Vijay Lall
Director



Mr. V. R. Reddy
Director



Mr. Satnam Arora
Director



Mr. S. Regunathan
Director



**Prof. V.N.
Rajasekharan Pillai**
Director



**Prof. Ranjit Roy
Chaudhury**
Director



Senior Management Team



Dr. Anupam Sibal
Director Medical
Services



Mr. Ajay Kumar Singhal
Vice-President cum
Company Secretary



Mr. Anil Maini
President Corporate
Development



Mr. P. Shivakumar
Vice-President
Finance



Ms. Anjali Kapur Bissel
Vice-President Corporate
Communication



Ms. Usha Banerjee
Director Nursing
Services



Dr. Raman Sardana
Additional Director
Medical Services

Registered Office & Hospital Complex : Sarita Vihar,
Delhi – Mathura Road,
New Delhi – 110 076

Hospital at Noida : Apollo Hospitals,
E-2, Sector-26,
Noida – 201 301

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

Bankers : Oriental Bank of Commerce,
AXIS Bank Limited



CONTENTS

Notice	02
Directors' Report	12
Management Discussion and Analysis Report	18
Report on Corporate Governance	22
Auditors' Report	31
Balance Sheet	34
Profit & Loss Account	35
Cash Flow Statement	36
Schedules	37

Indraprastha Medical Corporation Limited

NOTICE

Notice is hereby given that the twenty-first Annual General Meeting of Indraprastha Medical Corporation Limited will be held on Wednesday, 9th September, 2009 at 11.00 a.m. at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi – 110001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date together with the Report of Directors' and Auditors' thereon.
2. To declare dividend on shares.
3. To elect a Director in place of Mr. V. V. Bhat who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Dr. B. Venkataraman who retires by rotation and being eligible, offers himself for re-election.
5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. S. C. Vasudeva & Co., Chartered Accountants, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs. 8.00 lacs plus out of pocket expenses."
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Anil Kamineni be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. S. Regunathan be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation."
8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Prof. V. N. Rajasekharan Pillai be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation."
9. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Prof. Ranjit Roy Chaudhury be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation."
10. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. J. P. Singh be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation."
11. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Jaideep Gupta be and is hereby appointed as Director of the Company, who shall be liable to retire by rotation."
12. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:
"RESOLVED THAT subject to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals as may be necessary, the Company hereby accords its approval for the appointment of Mr. Jaideep Gupta as Managing Director of the Company for a period of 2 years w.e.f. 30th April, 2009, on the terms and conditions including remuneration as given below:-
 - A. Salary
 - a) Basic Salary Rs. 3,75,000/- (Rupees Three Lakh Seventy Five Thousand only) per month.
 - 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

- a) Rent free accommodation.
- b) Free use of Company's car with chauffeur.
- c) Fees of one club. Admission and life membership fees shall not be allowed.
- d) Reimbursement of professional membership fee.
- e) LTA 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) Insurance premium for Hospitalization Policy 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. Personal long distance calls on telephone / mobile phone will be billed to the Managing Director.
- 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

- a) Notice for separation – either party shall be at liberty to terminate the appointment with three months notice in writing to the other or payment of Basic Salary in lieu of the notice period.
- b) Mr. Jaideep Gupta will not be entitled to sitting fee for the meetings of the Board/ Committee of the Board attended by him.
- c) If at any time, Mr. Jaideep Gupta ceases to be the Managing Director of the Company, he shall cease to be a Director of the Company.

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.

13. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered as under:

- (i) The Article 97 be substituted by the following :-

“The number of Directors shall not be less than six and more than sixteen.”

- (ii) The Article 105. (a) be substituted by the following :

105. (a) The remuneration of each director for attending the meeting of the Board or a Committee thereof, shall be such sum as may, from time to time, be fixed by the Board for each such meeting attended by him, subject to such ceiling as may be prescribed by the Central Government from time to time. In addition to payments by way of sitting fees, remuneration may be paid to the directors by way of commission, in accordance with and up to the limits laid down under the provisions of Section 309 (4) of the Companies Act, 1956, and computed in the manner specified in the Act, subject to the approval of the shareholders in general meetings by way of a Special Resolution and such other approvals, as may be necessary. The Company may allow and pay to a Director who for the time being is residing out of the place at which any meeting of the directors may be held and who shall come to that place for the purpose of attending that meeting, such sum as the Directors may consider fair compensation for his expenses in connection with his attending the meeting in addition to his remuneration as above specified. The Directors shall be paid their traveling etc., and sitting fees for attending adjourned meeting also. The directors shall also be paid such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses incurred in connection with the business of the Company.

Indraprastha Medical Corporation Limited

14. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 309(4) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals, as may be necessary, the Company do hereby approve the payment of commission to the Non-Executive Directors of the Company, to be determined by the Board of Directors, for each financial year, for a period of 3 (three) years commencing from 1st April, 2009 and distributed between such Directors in such proportion and manner as the Board of Directors may, from time to time determine within the maximum limit of 1% (one percent) of net profits of the Company to be calculated in accordance with the provisions of Sections 198 and other provisions, if any, of the Companies Act, 1956, in addition to the sitting fees being paid by the Company for attending each meeting of the Board or a Committee thereof.”

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

Place: New Delhi
Date: 28th July, 2009

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

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote at the meeting instead of himself and the Proxy need not be a Member of the Company. The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting, is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 31st August, 2009 to Wednesday, 9th September, 2009 (both days inclusive).
4. 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 9th September, 2009, after giving effect to all valid share transfers in physical form lodged with the Company up to the closing hours of business on 30th August, 2009, 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 30th August, 2009.
5. Securities & Exchange Board of India (SEBI) has made trading in the shares of the Company compulsory in dematerialized form for all investors. Members are requested to open an account with a Depository participant, if not done so far and dematerialize their shareholding to avoid inconvenience in future.
6. To avoid the incidence of fraudulent encashment of the Dividend warrants, Members, holding shares in physical form, are requested to intimate the Company under the signature of the Sole/ First Joint holder, the following information, so that the Bank Account Number and Name and Address of the Bank can be printed on the Dividend Warrant:-
 - 1) Name of Sole/ First Joint Holder and Folio No.
 - 2) Particulars of Bank Account, viz.
 - i) Name of the Bank
 - ii) Name of Branch
 - iii) Complete address of the Bank with Pin Code Number
 - iv) Account Type, whether Savings (SB) or Current Account (CA)
 - v) Bank Account Number allotted by the Bank.



7. Shareholders desirous of availing the facilities of Electronic Credit of Dividend are requested to submit ECS form duly filled in. ECS form can be obtained from the Registered Office of the Company.
 8. Members who hold shares in the dematerialized form, want to change / correct the bank account details should send the same immediately to the concerned Depository Participant. The Company will not entertain any direct request from members for deletion/change in the Bank Account details furnished by Depository Participants to the Company.
 9. Non- Resident Shareholders are requested to inform immediately:-
 - A) The change in the residential status on return to India for permanent settlement and
 - B) The particulars of NRE Account with a Bank in India, if not furnished earlier.
 10. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the unpaid or unclaimed dividend for the financial year 2001-02 shall be due to be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government on 1st November, 2009.

No claim shall lie from a Member against the Company or the said Fund once the transfer is made to the said Fund and no payment shall be made in respect of any such claims. Members who have not encashed their dividend warrant(s) so far for the financial year ended 31st March, 2002 or any subsequent financial year(s), are requested to make their claim to the Company Secretary at the registered office of the Company, before such transfer to the said Fund, in their own interest.
 11. In terms of Section 109(A) the Companies Act, 1956, the Shareholder of the Company may nominate a person to whom the shares held by him/her shall vest in the event of his/her death. In case, any member wishes to avail the nomination facility in respect of shares held by him/her in physical form, please write to the Company to obtain the nomination form.
 12. Members holding shares in physical form are requested to notify immediately the change in their address, if any, to M/s. Link Intime India Pvt. Ltd., A-40, 2nd Floor, Near Batra Banquet Hall, Naraina Ind. Area, Phase – II, New Delhi – 110 028.
 13. Shareholders seeking any information with regard to accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
 14. Members are requested to bring their copy of Annual Report and Attendance Slip duly filled at the meeting.
- 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 / reappointed are as given below:
- 1. Name : Mr. V. V. Bhat**
- Age : 56 years**
- Qualification : IAS**
- Expertise :** Shri V.V. Bhat has an extensive experience in public administration and finance. He served as Joint Secretary in the Department of Space, Govt. of India & also Chief Secretary, Andaman & Nicobar Islands. Presently, he is posted as Principal Secretary – Finance, Government of NCT of Delhi.
- Outside Directorship :**
- Delhi Power Co. Ltd.
Delhi TRANSCO Ltd.
Delhi Metro Rail Corporation Ltd.
Delhi State Industrial & Infrastructural Development Corp. Ltd.
Delhi Tourism & Transport Dev. Corp. Ltd.
Delhi State Civil Supplies Corp. Ltd.
Indraprastha Power Generation Co. Ltd.
Pragati Power Corp. Ltd.
Delhi Integrated Multi Modal Transit System Ltd.
Delhi Transport Corporation
Delhi Financial Corporation
Delhi Co-op. Housing Fin. Corporation
- Membership of Committees of the Board of other Companies : None**
- Shareholding in the Company : Nil**

Indraprastha Medical Corporation Limited

2. Name : Dr. B. Venkataraman

Age : 83 years

Qualification : 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 is 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 Equity Shares of Rs.10/- each

3. Name : Mr. Anil Kamineni

Age : 53 years

Qualification : B. Com., MBA

Expertise : Mr. Anil Kamineni has rich and varied experience in managing business in various industries. He is the promoter of the KEI Group engaged in the business of Marine Service & Port Management, Leisure & Hospitality, Marginal Oil & Gas Fields and Theme Park & Night Safari, with an annual turnover of more than Rs. 400 crores.

He is related to Dr. Prathap C Reddy and Ms. Suneeta Reddy, Directors of the Company.

Outside Directorship :

Apollo Energy Company Ltd.
Prime Time Recreations Pvt. Ltd
Kiddy Concepts Pvt. Ltd
TRAC India Pvt. Ltd
TRAC Eco & Safari Park Pvt. Ltd
Kei Energy Pvt. Ltd
Kei Vita Pvt. Ltd

Membership of Committees of the Board of other Companies : None

Shareholding in the Company : Nil

4. Name : Mr. S. Regunathan

Age : 63 years

Qualification : I.A.S.

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



Membership of Committees of the Board of other Companies : None

Shareholding in the Company : Nil

5. Name : **Prof. V. N. Rajasekharan Pillai**

Age : 60 years

Qualification : 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 37 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.

Presently, Prof. V. N. Rajasekharan Pillai is the Vice-Chancellor of Indira Gandhi National Open University (IGNOU), New Delhi. He is also the Chairman of the Distance Education Council (DEC).

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 : **Prof. Ranjit Roy Chaudhury**

Age : 79 years

Qualification : Graduate in Medicine, D. Phil in Pharmacology

Expertise : Prof. 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 Equity Shares of Rs.10/- each

7. Name : **Mr. J. P. Singh**

Age : 58 years

Qualification : B.E., M.A. (Economics), IAS

Expertise : Mr. J.P.Singh is a Gold Medallist and Graduate Mechanical Engineer from the Indian Railways Institute of Mechanical & Electrical Engineering, Jamalpur. He also holds a Masters Degree in Economics from Punjab University. He joined the Indian Administrative Service in 1977 and has held various important positions in the States of Delhi, Goa and Arunachal Pradesh as well as in Government of India.

As Collector of Goa from 1982 to 1985, he helped in setting up advanced infrastructure facilities for the Heads of Commonwealth Governments meeting in 1983. He was Development Commissioner of the Union Territories of Daman and Diu at a time (1995-97) when heavy industrialisation took place. He has also served in various capacities in the Government of Arunachal Pradesh and Delhi.

Mr. J.P. Singh has considerable experience in formulation and implementation of various development projects. He was the Project Director for the new Capital Township, Itanagar in Arunachal Pradesh and subsequently for the Dwarka township of Delhi Development Authority in Delhi as well as Housing Commissioner in Delhi Development Authority from 1987-90. As Industries Commissioner and CMD of Delhi State Industrial Development Corporation, during 1997-2001 he was actively associated with the design and implementation of the relocation project for shifting 16,000 industries to approx. 4,000 acres of land on the periphery of Delhi.

Indraprastha Medical Corporation Limited

Mr. J.P. Singh has also worked in the Government of India. He was Deputy Secretary/Director in the Ministry of Steel from 1990 to 1995 when he was in charge of licensing at a time when the liberalisation process had just started. He was also in charge of policy formulation in respect of the raw materials sector. He joined as Joint Secretary in the Ministry of Steel in September – 2002 and was looking after the Steel Development Wing where issues relating to international trade, safeguards and other WTO matters are being examined and policies formulated. Mr. J.P. Singh was also responsible for formulating the industrial policy for Delhi in 1998 and the new Steel Policy in the Ministry of Steel. He has been a Government Director on the Boards of Steel Authority of India Ltd. (SAIL), Visakhapatnam Steel Plant (VSP), Indian Iron & Steel Co. Ltd. (IISCO), Metal Scrap Trading Corporation Ltd. (MSTC), Ferro Scrap Nigam Ltd. (FSNL) and Sponge Iron India Ltd (SIIL).

Mr. J.P.Singh returned to Govt. of Goa as Chief Secretary in January, 2006 and worked there for approximately 3 years till February, 2009. He has taken major initiatives to promote e-governance in administration. In particular, he spearheaded the Goa Broad Band Project in ppp mode which is meant to ensure that fibre-optic cable reaches all the villages and towns of Goa in a time bound manner and citizens have access to bandwidth between 2-10 MHz.

Presently he is working as Principal Secretary (Health & FW) in Government of NCT of Delhi since February, 2009.

Ourtside Directorship : Nil

Membership of Committees of The Board of other Companies : None

Shareholding in the Company : Nil

8. Name : Mr. Jaideep Gupta

Age : 45 years

Qualification : B. Sc., PGDRM

Expertise : Mr. Jaideep Gupta has 23 years of rich and varied experience in Hospital Administration at senior management positions and has a successful track record of setting up Hospitals from grass root level to fully commissioning level, maintaining clinical quality, meeting JCI Accreditation Standards and reducing costs.

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

Mr. Anil Kamineni was appointed as an Additional Director of the Company on 22nd October, 2008. Pursuant to Section 260 of the Companies Act, 1956, Mr. Anil Kamineni holds office only up to the Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member alongwith requisite deposit signifying his intention to propose Mr. Anil Kamineni as a candidate for the office of Director.

Except Dr. Prathap C Reddy, Ms. Suneeta Reddy and Mr. Anil Kamineni, no other Director is interested in the aforesaid resolution.

ITEM NO. 7

Mr. S. Regunathan was appointed as an Additional Director of the Company on 22nd October, 2008. Pursuant to Section 260 of the Companies Act, 1956, Mr. S. Regunathan holds office only up to the Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member alongwith requisite deposit signifying his intention to propose Mr. S. Regunathan as a candidate for the office of Director.

Except Mr. S. Regunathan, no other Director is interested in the aforesaid resolution.

ITEM NO. 8

Prof. V. N. Rajasekharan Pillai was appointed as an Additional Director of the Company on 22nd October, 2008. Pursuant to Section 260 of the Companies Act, 1956, Prof. V. N. Rajasekharan Pillai holds office only up to the Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member alongwith requisite deposit signifying his intention to propose Prof. V. N. Rajasekharan Pillai as a candidate for the office of Director.



Except Prof. V. N. Rajasekharan Pillai, no other Director is interested in the aforesaid resolution.

ITEM NO. 9

Prof. Ranjit Roy Chaudhury was appointed as an Additional Director of the Company on 22nd October, 2008. Pursuant to Section 260 of the Companies Act, 1956, Prof. Ranjit Roy Chaudhury holds office only up to the Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member alongwith requisite deposit signifying his intention to propose Prof. Ranjit Roy Chaudhury as a candidate for the office of Director.

Except Prof. Ranjit Roy Chaudhury, no other Director is interested in the aforesaid resolution.

ITEM NO. 10

Mr. J. P. Singh was appointed as an Additional Director of the Company on 30th April, 2009. Pursuant to Section 260 of the Companies Act, 1956, Mr. J. P. Singh holds office only up to the Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member alongwith requisite deposit signifying his intention to propose Mr. J. P. Singh as a candidate for the office of Director.

Except Mr. J. P. Singh, no other Director is interested in the aforesaid resolution.

ITEM NO. 11 & 12

Mr. Jaideep Gupta was appointed as an Additional Director of the Company on 30th April, 2009. Pursuant to Section 260 of the Companies Act, 1956, Mr. Jaideep Gupta holds office only up to the Annual General Meeting. As required under Section 257 of the said Act, notice has been received from a member alongwith requisite deposit signifying his intention to propose Mr. Jaideep Gupta as a candidate for the office of Director.

The Board of Directors has also appointed Mr. Jaideep Gupta as a Managing Director of the Company for a period of two years effective from 30th April, 2009 on the terms and conditions including remuneration as set out in the resolution.

The terms of remuneration of Mr. Jaideep Gupta has the approval of the Remuneration Committee.

As required under Section 302 of the Companies Act, 1956, an abstract of the terms of appointment of the Managing Director and Memorandum of Interest of Directors was circulated to the members of the Company.

As per the provisions of Schedule XIII to the Companies Act, 1956, the approval of the shareholders in General Meeting by way of a special resolution is required for payment of remuneration to the Managing Director as set out in the resolution.

The information as required under Schedule XIII to the Companies Act, 1956 is as under:-

I. GENERAL INFORMATION :

- (1) Nature of Industry - Healthcare
- (2) Date of commencement of commercial operation – 01.04.1996.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – N.A.
- (4) Financial Performance.

Rs. In Lakhs

Financial Parameters	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Turnover	19463.81	22484.35	25373.21	32815.50	40588.33
Net Profit (as computed u/s. 198)	2465.31	2348.82	2395.52	2724.49	3845.59
Net profit as per profit and loss Account	634.60	1666.06	1472.34	1614.79	2388.70
Amount of dividend paid	916.73	1145.91	1145.91	1283.42	1375.09
Rate of dividend declared	10%	12.5%	12.5%	14%	15%

- (5) Export performance and net foreign exchange collaborations - The Company is not carrying on any export activities and has no foreign exchange collaboration.
- (6) Foreign investments or collaborators, if any – None

II. INFORMATION ABOUT THE APPOINTEE:

- (1) Background Details

Mr. Jaideep Gupta, aged 45 years, has PGDRM and is a Bachelor of Science. He has 23 years of rich and varied experience in Hospital Administration at senior management positions. He has a successful track record of setting up Hospital projects.

Indraprastha Medical Corporation Limited

(2) Past remuneration –

Year	Total Remuneration (Rs.)
2007	2,514,732
2008	3,725,416
2009	5,136,103

(3) Recognition or awards : None

(4) Job profile and his suitability

Subject to the superintendence, direction and control of the Board, the day to day management and administration of the Company is vested in the Managing Director.

Mr. Jaideep Gupta 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.

(5) Remuneration proposed – as set out in the resolution for the item no. 12.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) – Taking into consideration the size of the Company, the profile of Mr. Jaideep Gupta, the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial position in other Companies.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any – Besides, the remuneration proposed, Mr. Jaideep Gupta do not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION

- | | |
|-----------------------------------------------------------------------|--------|
| (1) Reasons of loss or inadequate profits | } N.A. |
| (2) Steps taken or proposed to be taken for improvement | |
| (3) Expected increase in productivity and profits in measurable terms | |

The Board of Directors recommends the resolutions for your approval as set out under item no. 11 & 12.

Except Mr. Jaideep Gupta, no other Director is interested in the aforesaid resolutions.

ITEM NO. 13

(i) As per the Article 97 of the Articles of Association of the Company (as amended), the number of Directors shall not be less than six and more than fifteen.

The Securities and Exchange Board of India (SEBI) vide its order dated 08.04.2008 has modified the Clause 49 of the Listing Agreement with the Stock Exchanges. As per modified Clause 49, at least one-half of the Board of the Company should consist of Independent Directors, since the Chairman of the Board is non executive and is related to the promoter.

The Board of the Company has 15 (fifteen) Directors, comprising of 8 (eight) Non-Independent Directors and 7 (seven) Independent Directors.

In order to comply with the requirement of Clause 49, it is proposed to appoint 1 (one) more Independent Director on the Board of the Company, hence the provisions of Article 97 of the Articles of Association of the Company are required to be altered to increase the maximum number of Directors to 16 (sixteen).

The Directors recommend the Special Resolution for approval of the members. None of the Director is interested in the resolution.

(ii) The Company proposes to pay remuneration to the Non-Executive Directors (who is neither in whole time employment of the Company nor a Managing Director), by way of commission, in addition to the sitting fees being paid by the Company for attending each meeting of the Board, or a committee thereof.

The provisions of Article 105 (a) of the Articles of Association of the Company are required to be altered to authorize the payment of commission to directors, in addition to payments by way of sitting fees. Hence, it is proposed to alter the Articles of Association of the Company by substituting Article 105 (a), as set out in the Resolution.



The Directors recommend the Special Resolution for approval of the members.

All Non-Executive Directors of the Company are interested in the resolution to the extent the commission is payable to them in accordance with the proposed resolution.

ITEM NO. 14

At present, the Non-Executive Directors of the Company are paid by way of sitting fees of Rs. 20,000/- for attending each meeting of the Board or a Committee thereof.

In order to remunerate the Non-executive Directors of the Company, for the responsibilities entrusted upon them under the law 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 of the Company be paid commission, subject to the approval of the Central Government and such other approvals, as may be necessary, 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 three years commencing from 1st April 2009, and distributed between such Directors, in such proportion and manner as the Board may time to time determine, in addition to the sitting fees being paid by the Company for attending each meeting of the Board, or a committee thereof.

Pursuant to the provisions of Section 309 of the Companies Act, 1956, the approval of members of the Company by way of a Special Resolution in General Meeting is required for payment of remuneration by way of commission to the Non-Executive Directors of the Company.

The Board of Directors accordingly recommends the resolution set out at Item No. 14 of the Notice for approval of the Members.

All Non-Executive Directors of the Company are interested in the resolution to the extent the commission is payable to them in accordance with the proposed resolution.

Indraprastha Medical Corporation Limited

DIRECTORS' REPORT

Dear Shareholders

The Directors take pleasure in presenting the 21st Annual Report of the Company along with the audited accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	Year ended 31-03-2009	Year ended 31-03-2008
Income from Operations	39,118.53	31,470.73
Other Income	1,469.81	1,344.77
Total Expenditure		
Consumption of stores & spares	11,669.50	9,482.21
Staff Cost	7,736.15	6,292.23
Consultation Fees paid to the Doctors	9,080.04	7,306.00
Other expenditure	5,935.80	4,908.08
Interest	574.75	627.51
Depreciation	1,866.78	1,617.11
Profit before tax	3,725.32	2,582.36
Provision for taxation	1,336.62	967.58
Net Profit (PAT)	2,388.70	1,614.78
Balance brought forward from previous year	2,032.86	2,019.61
Amount available for appropriation	4,421.56	3,634.39
Appropriations		
Transferred to General Reserve	125.00	100.00
Dividend (Proposed)	1,375.10	1,283.42
Corporate Dividend Tax	233.70	218.12
Balance carried to Balance Sheet	2,687.76	2,032.85

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 125.00 lakhs to the General Reserve out of the amount available for appropriations and an amount of Rs. 654.91 lakhs is proposed to be retained in the Profit and Loss Account.

DIVIDEND

The Directors are pleased to recommend payment of dividend on equity shares @ Rs. 1.50 per share (15%) for the financial year ended 31st March, 2009 (previous year Rs. 1.40 per share).

OPERATIONS

During the year under review, the total income of the company increased to Rs. 405.88 crores from Rs. 328.16 crores in the previous year – an increase of 24%. The profit after tax stood at Rs. 23.89 crores against Rs. 16.15 crores in the previous year – a growth of about 48%.

The operational performance details of Indraprastha Apollo Hospitals, New Delhi are as under:-

	2008-09	2007-08	Growth
No. of In-patient Admissions	34,496	32,898	4.86 %
Average Daily Bed Occupancy	476	466	2.15%
OPD – New Registrations	85,316	83,003	2.79%
Health Checks	25,038	23,207	7.90%
Dialysis	20,754	18,886	9.89%
Cardiac Surgeries	2,343	2,180	7.48%
Transplant Surgeries	216	187	15.51%
Other Surgeries	12,809	12,093	5.92%
No. of International Patients	3,780	3,239	16.70%

HIGHLIGHTS OF THE YEAR 2008-09

It was a year of strong all round growth for the Company. The total income of the Company increased by 24% and the net profit after tax rose by an impressive 48% over the previous year. The Indraprastha Apollo Hospitals' strategy of providing world class treatment to our own and foreign patients at internationally competitive rates were the key drivers for the growth in revenues and profits. The number of international patients also went up quite significantly from 3,239 to 3,780. These patients used your Hospital mainly for high end treatment. The Hospital also performed a significant number of cochlear implant surgeries during the year under a MoU with the Ministry of Health, Iraq.

Apollo Health Checks continued to be popular in the preventive health segment and registered a growth of about 10%.

The performance of the Noida Hospital also improved significantly. Although the Hospital made a loss for the financial year, the quantum of loss compared to the previous year was significantly less.

The above, combined with a good case mix and higher yield per patient resulted in a robust growth in profits.

FOCUS ON QUALITY

In 2005, Indraprastha Apollo Hospitals, New Delhi was the first hospital in the country to be accredited by the prestigious Joint Commission International (JCI), which spells gold standard in global healthcare delivery standards.



In 2008, your hospital was re-accredited by JCI, after being assessed on quality of patient care, and continued adherence to all the standards of JCI. To meet the new JCI standards, your hospital became the first in this part of the world to put in place International Self Assessment System (ISAS), a comprehensive web-based tool that helps organizations evaluate their performance against JCI accreditation standards; track quality improvement efforts; and learn through customized, online feedback. Your Hospital performed significantly better in the year 2008 survey, only five measurable elements out of 1193 were partially met compared to eleven in the year 2005.

The laboratory services of the Hospital have been re-accredited by the National Accreditation Board for testing and calibration laboratories (NABL). NABL is the gold standard for laboratory quality in India conforming to International medical laboratory standards ISO 15089:2007. The accreditation process involves stringent adherence to quality control including laboratory based tests and investigations, equipment management, safe environment and assessment of manpower ranging from technical staff to consultants. Both internal and external quality control programmes assure maintenance of high quality in laboratory investigations.

In its quest for sound environment management, the Hospital achieved ISO 14001:2004 certification in 2006. The implementation of green technologies in the Hospital premises continued with re-certification being achieved in October 2008.

On the quality front, other efforts included the initiation of the Voice of the Customer (VOC) programme to monitor patient satisfaction. Prompt action was taken on suggestions and feedback.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a responsible healthcare provider with a strong social commitment, Indraprastha Apollo Hospitals has always been at the forefront of initiatives to improve the wellbeing of the community.

In September 2008, your Hospital was one of the first in the country to send a medical relief team to flood hit Bihar. The 32-member team, comprising doctors, nurses, paramedical, pharmacists and support staff along with four ambulances and medical supplies, stayed at the site for two weeks

providing emergency medical assistance. A cheque for Rs. 10 lakh was also handed over to the Chief Minister of Bihar.

As always, your Hospital continued with its community outreach programmes. Among the notable programmes last year were 20 free heart camps during which over 3,000 patients were screened for cardiac ailments. A team of doctors from the Hospital visited neighboring areas in order to provide health cover under the Mobile Health Service Scheme with the Delhi Govt.

Indraprastha Apollo Hospitals doctors also teamed up with Vishwas, an NGO catering to children with special needs, to conduct free medical camps at Sohna village in Haryana.

Collaborating with *The Times of India*, your Hospital conducted 10 wellness workshops for the general public on various health related topics.

CONSERVATION OF ENERGY

Climate chaos and energy shortage are two of the world's biggest worries today. Recognizing the imperative to implement sustainable practices in the way it does business, Indraprastha Apollo Hospitals has introduced several measures to conserve energy and water.

A 1000 KL/day modern Effluent Treatment Plant was commissioned in December 2008.

Requisite actions have been initiated to reuse about 40% of the treated water within the hospital for the purpose of flushing/cooling operations/horticulture and the balance 60% of treated sewage is disposed of in Municipal sewer leading to Okhla Sewage Treatment Plant.

Existing conventional flush valves have been replaced with exposed type low consumption flush valves. The conventional taps in public areas have been replaced with spring loaded push type taps to cut down use of water substantially.

Plant maintenance on a regular basis, review of energy generation and its consumption are being continuously undertaken. Training programmes for creating awareness about conservation of energy and natural resources are also being held on a regular basis for employees.

Timers have been incorporated in public lighting areas to save electrical energy.

TECHNOLOGY ABSORPTION

The Company continued to invest in cutting-edge technology to offer the latest in medical care and maintain international standards. While in the short term, this investment increases capital cost, in the long term it will result in cost efficiencies and better patient management. Among the new devices and tests incorporated are:

DIGITAL RADIOGRAPHY (DR) MODEL-X4C 1590: This filmless X-Ray image capture system that takes less than seven seconds for an image preview ensures that a patient need not wait long. It also has 1/10th the radiation dose of the conventional x-ray. DR does not use films and chemicals for processing and is a Green product.

Human Leukocyte Antigen (HLA) Typing System: Moving away from the traditional manual methodology of cell typing, your Hospital installed the modern Human Leukocyte Antigen (HLA) testing process to match patients and donors for cord blood or bone marrow transplants.

OCT (Optical Coherence Tomography): The ophthalmology department got this world-renowned new machine from Zeiss for the scanning of the different layers of Retina. OCT is Similar to ultrasound but uses 820nm wavelength of light instead of sound to image tissue.

LIO (Laser Indirect Ophthalmoscope): A Laser Indirect Ophthalmoscope (LIO) from Zeiss has been added. LIO is basically a Cautery machine. It uses frequency doubled (Wavelength of 532nm) Green laser which Cauterizes the Retinal Blood Vessels. This therapy is mainly used in diabetic patients.

Revolix Laser: Specifically designed for prostrate surgery, the Revolix Laser makes it possible to operate with excellent results without damage to surrounding structures.

Sphinx 30 watt Holmium YAG laser: The Sphinx 30 Holmium YAG Laser is ideal for all types of kidney stones delivering very effective energy per pulse to handle even large bladder stones and can achieve quick fragmentation without retropulsion of the stone fragments. This makes it an ideal choice to treat the impacted stones in the ureter also.

The Hospital also made substantial investments in IT, adding two Dell & one IBM server, CISCO network switches, and more than 60 desktop computers.

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 has appointed healthcare facilitators in various countries to attract international patients.

(b) Total Foreign Exchange Earnings and Outgo

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

Earnings : Rs. 44.60 crores

Outgo : Rs. 9.47 crores

PARTICULARS OF EMPLOYEES

The Particulars of employees as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are annexed and form part of this report.

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 judgements 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, 2009 and of the profit of the Company for the year ended 31st March, 2009.
- (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.



TRAINING PROGRAMMES

Training and retraining sessions were conducted for all the staff and the consultants. Patient safety weeks were observed to sensitize staff about patient safety issues. Staff was also trained on infection control and laminar hoods for usage of medicine preparations through audiovisuals.

For updating the skill, technology and procedures your Hospital has been conducting in-house Continuing Medical Education Programme (CME) in an organized manner for the benefit of the junior medical staff, DNB students, para medicals and nurses. The programme is conducted by senior consultants, who are well qualified and well trained in their field of specialization. Around 1500 CMEs have been conducted in the year gone by.

INFECTION CONTROL AND ENVIRONMENT

Infection control is a huge challenge for any Hospital set up. The downward trend of infection indices at Indraprastha Apollo Hospitals indicates that an effective system is in place for prevention and control of infection. Constant training of all healthcare workers, immunization practices and special emphasis on disinfection have resulted in your Hospital's infection control rates being brought below the average international benchmarks set by the National Healthcare Safety Network (NHSN), USA, for similar units.

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, 2009, is also attached with this report.

AUDITORS / AUDITORS' REPORT

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, to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. The Board of Directors recommends the appointment of M/s. S. C. Vasudeva & Co., Chartered Accountants as Auditors of the Company.

DIRECTORS

Mr. Vivek Rae was transferred from the office of Principal Secretary, Health and Family Welfare, Govt. of Delhi and ceased to be a Director of the Company. The Board had appointed Mr. Rakesh Behari, Principal Secretary, Health & Family Welfare, Govt. of Delhi as an Additional Director of the Company in place of Mr. Vivek Rae. But Mr. Rakesh Behari was also transferred from the office of Principal Secretary, Health and Family Welfare, Govt. of Delhi and ceased to be an Additional Director of the Company. Thereafter, the Board appointed Mr. J. P. Singh, Principal Secretary, Health & Family Welfare, Govt. of Delhi as an Additional Director of the Company in place of Mr. Rakesh Behari.

The Board also appointed Mr. Anil Kamineni, Mr. S. Regunathan, Prof. Ranjit Roy Chaudhury, Prof. V. N. Rajasekharan Pillai and Mr. Jaideep Gupta as Additional Directors of the Company.

The Board of Directors also appointed Mr. Jaideep Gupta as Managing Director of the Company for a period of two years effective from 30th April, 2009, on the terms and conditions including remuneration as set out in the resolution, subject to the approval of the shareholders of the Company.

Pursuant to Section 260 of the Companies Act, 1956, Mr. J. P. Singh, Mr. Anil Kamineni, Mr. S. Regunathan, Prof. Ranjit Roy Chaudhury, Prof. V. N. Rajasekharan Pillai and Mr. Jaideep Gupta hold office of the Director only up to the date of the Annual General Meeting of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 proposing the above named persons as candidates for the office of Director liable to retire by rotation. Resolution seeking approval of the shareholders have been incorporated in the notice of the Annual General Meeting.

Indraprastha Medical Corporation Limited

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. V. V. Bhat and Dr. B. Venkataraman, Directors of the Company shall retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

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.

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 for international clinical trials.

INDUSTRIAL RELATIONS

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

However, the proceedings of the labour and other court cases, which took place after the strike by a section of employees in the Hospital in September, 1998 continued during the year.

ACKNOWLEDGEMENT

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

The Directors also wish to place on record their appreciation for the all round 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 : 28th July, 2009

Rakesh Mehta
Chairman

ANNEXURE TO DIRECTOR'S REPORT

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March, 2009.

Name of the Employee/ Age	Designation/Nature of Duties	Qualification & Experience	Date of Commencement of Employment	Remuneration Received (Rs.)	Last Employment held
(A) Employed throughout the year and in receipt of remuneration not less than Rs. 2,400,000/- for the year :-					
Mr. Ajay Kumar Singhal 51 years	Vice President cum Company Secretary	B. Com, LLB, FCS (27 Years)	1/5/1996	4,083,401	Practicing Company Secretary, New Delhi
Mr. Jaideep Gupta 45 years	Chief Executive Officer	B. Sc, PG Diploma in Rural Management (23 Years)	29/4/2005	5,136,103	Vice President - Operations, Apollo Hospitals Enterprise Limited, Kuala Lumpur (Malaysia)
Mr. P Shivakumar 44 years	Vice President - Finance	B Com, ACA, Graduate of ICWAI (21 Years)	28/4/1997	4,063,578	Manager - Finance - Premier Auto Electrical Limited, Chennai
Dr. Anupam Sibal 41 years	Director Medical Services	MBBS, MD (12 Years)	11/8/2002	6,526,858	Senior Consultant - Paediatric, Gastroenterology & Hepatology, Indraprastha Apollo Hospitals, New Delhi
Mr. Anil Maini 57 years	President - Corporate Development	BA (Hos.), Diploma in Marketing Management, Management course in Senior Executive resident (30 Years)	4/4/2005	6,133,418	Marketing Head - Escort Heart Institute and Research Centre, New Delhi
Ms. Usha Banerjee 42 years	Director - Nursing	B. sc (Nursing), MBA (HR & Industrial Relations), Diploma in Hospital Administration. Diploma in Training and Development (17 Years)	12/12/2005	3,986,340	Director Nursing - Max Health Care Limited, New Delhi
(B) Employed for part of the year and in receipt of remuneration aggregating not less than Rs. 200,000/- per month :-					
Mr. Richard Leroy Larison 56 years	Managing Director	Master of Sciences - Health Administration, Bachelor of Science - Accounting (28 Years)	1/12/2006	6,134,043	Chief Executive Officer Apollo Hospitals Dhaka (Bangladesh)
Mr. Manish Sharma 37 years	Vice President - Business Initiatives	B. Tech. (15 Years)	1/12/2008	879,041	Apollo Health Hiway Pvt. Ltd., Hyderabad

- Notes :**
1. Remuneration includes salary, allowances, Company's contribution to Provident Fund and monetary value of perquisites and other benefits as valued under Income Tax Act, 1961.
 2. None of the above employment is / was on contractual basis except the employment of Mr. Richard Leroy Larison.
 3. None of the employees as mentioned above is related to any Director of the Company and holds (by himself or along with his spouse and dependant children) more than 2% of equity shares of the Company.



Indraprastha Medical Corporation Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview of the Business Environment, Industry Structure and Current Developments in the Sector

Section I: Indian Healthcare Scenario

At a time when the dark clouds of recession have dented the confidence and figures of most industries worldwide, the healthcare sector in India has proved resilient and is continuing to show growth. The healthcare industry is today one of the fastest growing sectors in India. Spending on healthcare in India is likely to grow from \$40 billion (Rs. 1,92,753 crores)¹ in 2008 to \$323 billion (Rs. 15,56,214 crores) in 2023, estimates consulting firm Technopak. According to Ernst & Young, healthcare spending could rise to contribute 6.1% of India's GDP in 2012 (currently it constitutes 4.8%) and employ around 9 million people (from 4 million today).

According to Technopak Advisors, "Given the highly-skewed demand-supply equation, we expect healthcare to sustain its growth even in the new paradigm of muted economic growth."²

This growth is being fuelled by a number of factors. To begin with, the inadequacy of the public healthcare system has resulted in the burden being placed on private healthcare, especially in the case of tertiary care. Industry expectations are that in six or seven years time 30-40 per cent of tertiary care requirements in the country will be met by corporate hospitals.

Other reasons for growth are the increasing affluence of Indians at all levels, and the resultant rise in lifestyle diseases. Also, around 76 million Indians are expected to be above 65 years of age by 2012, thereby increasing the prevalence of several chronic diseases.³

After the entry of pure health insurance players in 2007, a rapid growth in health insurance coverage has been witnessed. This is fuelling demand for private sector healthcare, which becomes affordable and accessible. Swiss Re, one of the world's leading re-insurers, estimates that there is a potential of over US \$ 7,700 million (Rs. 37,128 crore) in health insurance premium in India by 2015.

Another significant reason for growth is the spiraling investments in small cities and rural areas, with innovative pro-poor solutions from private sector entrepreneurs.

An article in the Economist² points to the "cauldron of innovation" in the health sector in India, where entrepreneurs have devised new business models to cater to not only the affluent but are "now racing down the pyramid" with solutions for the poor as well. The easing of restrictions on lending and foreign investment in healthcare, which has led to public-private partnerships, has also resulted in cheaper and smarter strategies, fuelling growth.

Growing PE investment in healthcare

Infusion of private equity (PE) is an unmistakable sign of growth. There has been significant PE investment in the corporate healthcare sector in recent years, showing the attractiveness of this sector and the potential it has. According to Technopak, the Indian healthcare sector attracted over \$448 million (about Rs 2,157 crores) in year 2007. Between 2008 and 2011, the sector is expected to see investments of about \$5 billion (Rs 24,080 crores), according to Technopak.

Funds such as ICICI Ventures, IFC, Ashmore and Apax Partners invested about US\$ 450 million (about Rs. 2,170 crores) in healthcare projects in the first six months of 2008-09 compared with US\$ 125 million (Rs. 602 crores) in the same period a year ago, according to an analysis carried out by Feedback Ventures.

For investors, what makes the healthcare sector particularly attractive is that there is a big gap between demand and supply, signifying the huge room for growth.

For India, which today has 16% of the world population, 18% of the world's mortality and 21% of total global diseases, healthcare is a priority sector. To meet this robust demand, Indian healthcare is not only grossly under-staffed, with a doctor to thousand population ratio of 0.5 as against 1.5 of comparable emerging economies, but also faces ever widening gaps in physical infrastructure.

¹ All conversions at US \$1=Rs 48.18 as on 31st July, 2009

² Business Today, March 5, 2009

³ Economist: April 16, Lessons from a Frugal Innovator



According to a FICCI-Ernst and Young study, India needs beds in excess of 1 million to be added to reach a ratio of 1.85 per thousand at an investment of US\$ 77.9 billion (Rs. 3,71,446 crores). Clearly, there is a huge demand waiting to be met.

AREAS OF OPPORTUNITY

Within the healthcare sector, there are various pockets of opportunities that are emerging, indicating where growth could come from. Medical tourism, tier II and III cities, preventive healthcare and quaternary care (super specialized domains of medicine) are all opportunities for corporate Hospitals.

Medical Tourism

The recent global recession is spelling a big opportunity for Indian healthcare providers as the downturn has forced countries like the US to look overseas in a bid to cut their healthcare costs. In many countries, the growth rate of government expenditures on health is exceeding the economic growth rate and efforts are on to reduce the cost burden. It is estimated that the health services outsourcing sector has the potential to grow to US\$ 7.4 billion (Rs. 35,705 crores) by 2012, from US\$ 3.7 billion (Rs. 17,846 crores) in 2006.

In 2007, India treated about 450,000 foreign patients ranking it second in medical tourism. International financial services group, Credit Suisse, estimates medical tourism to be growing at between 25-30 per cent annually. The key selling points of the medical tourism industry are its cost effectiveness and its combination with the attractions of tourism. Treatment cost is lowest in India—20 per cent of the average cost incurred in the US.

Recently, leading Indian Hospitals, healthcare providers, travel services providers and medical tourism providers have come together to form an industry association - Indian Medical Travel Association (IMTA) that aims to work together to make India the leading global healthcare destination. The formation of an association is expected to spur growth in this segment as there are expectations of doing joint trade shows abroad.

Tier II and III cities within India

According to Mckinsey India, rural and Tier II markets will contribute almost half of estimated growth in healthcare sector in India till 2015. With the metros reaching saturation point in terms of tertiary care, the opportunity now lies in tapping Tier II and III cities, where there is a shortage of healthcare facilities in all three segments — primary, secondary and tertiary.

Last year the government announced tax sops for private healthcare players investing in Tier II and III cities, paving the way for investment in 750 towns in the country. Many projects have already been seeded in these cities, indicating that the foundation has been laid for growth.

Preventive medicine

India has the highest number of patients in the world in several major ailments. Nearly 12% of Indians are diabetics, and the burden of cardiac diseases is the highest in India.

Rising awareness about lifestyle diseases is forcing a lot of Indians to go in for preventive checks. According to experts, the cost of preventive medicine by 2015 is going to be around US\$50 billion (Rs 2,41,149 crores) in India.

THREATS

While the recessionary economic climate spells opportunity for Indian healthcare, it also signals a threat as well. Inflationary trends, depreciation of the rupee (there was a fall of about 20 per cent against US dollar over the last year), high interest rates can make an impact on the business as imports will get costlier and increase capital cost of new equipment.

Besides, rising costs of materials and wage bills could upset the margins.

A big challenge for the healthcare industry today is also an acute shortage of qualified doctors, nurses and trained paramedic staff. India is among the 57 countries worst hit by a shortage of trained health professionals, according to the World Health Organisation.

Indraprastha Medical Corporation Limited

India requires an additional 700,000 doctors by 2025, but each year there is a net addition of just 17,000 doctors a year, notes a joint study by FICCI and Ernst & Young. However, in this regard, an encouraging trend is the growing numbers of physicians of Indian origin who are returning home from UK and US.

Section II

Indraprastha Medical Corporation Limited

As the first internationally accredited Hospital in India, Indraprastha Apollo Hospitals has always led the way when it comes to superlative medical care.

The Hospital demonstrated its medical capabilities by undertaking some complex pioneering procedures. For instance, in a first of its kind procedure, doctors at Indraprastha Apollo Hospitals, Delhi used 'Super Plastic' to operate upon two heart patients. 'Super Plastic' is a material NASA invented for insulation in spacecrafts and could help the doctors doing the Cardiac Resynchronization Therapy (CRT) successfully.

Indraprastha Apollo Hospitals completed 10 successful years of Liver Transplant Programme on 15th November 2008. In the last two years, 145 liver transplants have been carried out, with a success rate of 98 % in paediatrics and more than 90% in adults.

At Indraprastha Apollo Hospitals, consistent efforts are on to improve the quality of healthcare services, and yet keep it within affordable range of the communities it serves through efficient resource utilization.

In its third year of operation, the NOIDA Hospital is picking up. Strong marketing initiatives and quality of medical care are ensuring that it emerges as an attractive healthcare destination in the NCR.

Key Strengths

Indraprastha Apollo Hospitals is at the forefront of medical technology and expertise and provides a complete range of the latest diagnostic, medical and surgical facilities for the care of its patients. The Hospital brings together some of the most talented medical professionals in the country and has a dedicated team of clinicians to provide highest standards of patient care.

The Apollo brand name signifies quality, value, international standards and leadership. Being part of the lineage Indraprastha Apollo Hospitals enjoys great brand equity, which it has further enhanced by adhering to quality standards.

At the same time, strong administration, capable management, dedicated employees and committed consultant doctors along with a futuristic long term vision have ensured that the hospital maintains its leadership position.

The Hospital also enjoys a very high credit rating and will continue to attract funds for medium term loans.

Overview of Segment-Wise Business Performance

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

Financial year 2008-09 represented a year of excellent performance by the Hospital and the Company built on the strong foundation of growth laid earlier.

Financial Performance/Operational Performance

During the year under review, the Company has registered all round growth in its working and achieved higher incomes and profit.

The total income of the company for the year ended 31st March 2009 stood at Rs. 405.88 crores registering an impressive growth of 24% percent from the previous year figures of Rs. 328.15 crores.

The profit before tax stood at Rs. 37.25 crores and registered a 44% growth over the profit before tax in the previous year of Rs. 25.82 crores.

The profit after tax was Rs. 23.89 crores as compared to Rs. 16.15 crores in the previous financial year, a growth of 48%.

The Noida Hospital in its third year of operation, registered significant growth in income from Rs. 6.35 crores in the previous year to Rs. 10.20 crores this year. The Hospital made a loss of Rs. 0.50 crore compared to Rs. 2.02 crores in the previous year.



Increase in high end cases, number of surgeries and procedures, health checks, and international patients combined with a good case mix and higher yield per patient were the key drivers for the remarkable growth in revenues and profits.

Human Resource Development

For healthcare services delivery in India, finding talent and retaining it is the biggest challenge as there is a huge shortfall of doctors, nurses and paramedical staff in the country.

Indraprastha Apollo has invested considerable energy and resource in identifying and developing talent. The company has invested in HR training so that employees are not only trained to follow JCI norms but are also aligned to the company vision and goals.

The total number of employees in the Company as on 31st March 2009 was 2975, compared to 2802 people last financial year. The Company has engaged contractors for various support services in the Hospital and they have deployed 857 workers. Besides this, around 400 consultant doctors are associated with the Hospital on a “fee for Service” basis.

Outlook

Indraprastha Apollo Hospitals enjoys great brand equity and has a reputation of being a preferred healthcare delivery service provider for the increasingly discerning domestic healthcare consumer as well as the global quality conscious patient.

Growth continues to be buoyant and there is robust demand from domestic as well as international segments. With the Commonwealth Games around the corner in year 2010, infrastructure in Delhi is improving rapidly which will benefit the Hospital in terms of international patients.

The outlook for your Company certainly appears bright since demand is robust and healthcare services are fairly insulated from recession.

Risk and Concerns

Apart from the recessionary climate, rising costs of inputs and wage bills that could potentially erode margins, technological obsolescence in medical equipment is an ongoing risk that Hospitals have

to contend with. To counter this, the Hospital has buy-back arrangements with vendors for critical investments.

Free treatment to patients recommended by the government is also a bit of a contentious issue. As per the terms of lease deed with the Government of Delhi, the Hospital has been providing free treatment, exclusive of medicines and medical consumables, to patients recommended by the Delhi government. A public interest litigation (PIL) regarding free treatment in the Hospital is pending in the High Court of Delhi. The main issue in the PIL is that the Hospital should also provide free medicines and medical consumables to patients recommended by the Delhi government.

Internal Control Systems and their Adequacy

The company has put in place adequate internal controls to ensure that assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The internal audit department together with an independent firm of Chartered Accountants reviews the effectiveness of the systems and procedures. The internal auditors evaluate the adequacy of the internal control systems by analyzing and testing controls and make their recommendations to the management to improve controls wherever necessary.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may constitute “forward looking statements” within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board

Place : New Delhi
Date : 28th July, 2009

Rakesh Mehta
Chairman

Indraprastha Medical Corporation Limited

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to practice transparency in operations and maintain a professional approach and accountability in dealing with its stakeholders. The Company is committed to deliver health care facilities of international standards at an affordable cost to a wide cross-section of the society and to optimize shareholders value.

2. BOARD OF DIRECTORS

(a) Composition of Board

As on 31st March, 2009, the Board of Directors consists of 13 (thirteen) Non-Executive Directors including 7 (seven) 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, 2009 and at the last Annual General Meeting held on 10th September, 2008, are as under:-

Name of the Director		Category	Number of Board Meetings attended	Attendance at the Last AGM
Mr. Rakesh Mehta (Chairman)	(1)	Non-Executive	4	Yes
Dr. Prathap C Reddy (Vice-Chairman)		Non-Executive	4	Yes
Mr. Richard Leroy Larison (Managing Director)	(2)	Executive	2	N.A.
Mr. Vivek Rae	(3)	Non-Executive	1	N.A.
Mr. V. V. Bhat		Non-Executive	5	Yes
Dr. B.Venkataraman		Non-Executive – Independent	5	Yes
Lt. Gen. (R) Vijay Lall		Non-Executive – Independent	5	Yes
Ms. Suneeta Reddy		Non-Executive	4	Yes
Ms. Renu S. Karnad		Non-Executive	3	Yes
Mr. V. R. Reddy		Non-Executive – Independent	1	No
Mr. Satnam Arora		Non-Executive – Independent	2	Yes
Mr. Rakesh Behari	(4)	Non-Executive	1	N.A.
Mr. Anil Kamineni	(5)	Non-Executive	1	N.A.
Mr. S. Regunathan	(6)	Non-Executive – Independent	1	N.A.
Prof. Ranjit Roy Chaudhury	(7)	Non-Executive – Independent	-	N.A.
Prof. V. N. Rajasekharan Pillai	(8)	Non-Executive – Independent	-	N.A.

(1) Appointed by the Board as an Additional Director on 29.01.2008 and thereafter appointed by the shareholders as a Director at the last Annual General Meeting held on 10.09.2008.

(2) Ceased to be a Director w.e.f. 17.07.2008.

(3) Ceased to be a Director w.e.f. 22.08.2008.

(4) Appointed by the Board as an Additional Director on 22.10.2008 and ceased to be an Additional Director w.e.f. 27.03.2009.

(5) Appointed by the Board as an Additional Director on 22.10.2008.

(6) Appointed by the Board as an Additional Director on 22.10.2008.

(7) Appointed by the Board as an Additional Director on 22.10.2008.

(8) Appointed by the Board as an Additional Director on 22.10.2008.



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

None of the Directors on the Board is a Member of more than ten Committees or Chairman 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, 2009 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 of 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 companies		Number of Committee positions held in other public companies	
	Chairman	Member	Chairman	Member
Mr. Rakesh Mehta (Chairman)	1	1	Nil	Nil
Dr. Prathap C Reddy (Vice-Chairman)	11	2	Nil	Nil
Mr. V. V. Bhat	Nil	10	Nil	Nil
Lt. Gen. (R) Vijay Lall	Nil	Nil	Nil	Nil
Dr. B.Venkataraman	Nil	2	Nil	1
Ms. Suneeta Reddy	3	10	1	2
Ms. Renu S. Karnad	2	11	2	3
Mr. V.R. Reddy	Nil	Nil	Nil	Nil
Mr. Satnam Arora	Nil	3	Nil	Nil
Mr. Anil Kamineni	Nil	1	Nil	Nil
Mr. S. Regunathan	Nil	Nil	Nil	Nil
Prof. V. N. Rajasekharan Pillai	Nil	Nil	Nil	Nil
Prof. Ranjit Roy Chaudhury	Nil	Nil	Nil	Nil

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

Five (5) Board meetings were held during the financial year ended 31st March, 2009. The dates of the meetings are as follows : 24th May, 2008, 9th June, 2008, 25th July, 2008, 22nd October, 2008 and 23rd January, 2009. 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 expenditure 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.
- 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.
- Certificate by the Managing Director / CEO and Vice President (Finance) regarding financial statements in compliance with Clause 49V of the Listing Agreement.

f) Code of Conduct

The Company's Board has laid down 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, 2009.

Indraprastha Medical Corporation Limited

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

The Audit Committee consists of three Non-Executive Directors (including two Independent Directors) viz. Dr. B Venkataraman, Lt. Gen. (R) Vijay Lall and Ms. Suneeta Reddy. 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:

Members	Category	Meeting Held	Meeting Attended
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	3

Mr. V. V. Bhat, Director of the Company, also attended all the meetings of the Audit Committee by invitation.

The Managing Director / CEO, Vice President cum Company Secretary, Vice President (Finance) and representatives of Statutory Auditors & Internal Auditors, also attend the Audit Committee meetings.

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

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

The Remuneration Committee consists of five Non-Executive directors (including three Independent Directors) viz. Dr. B Venkataraman, Mr. V. V. Bhat., Lt. Gen. (R) Vijay Lall, Ms. Suneeta Reddy and Mr. V. R. Reddy. Dr. B Venkataraman (Independent Director) is the Chairman of the Remuneration Committee.

(c) Attendance during the year

No meeting of the Remuneration Committee was held during the financial year ended 31st March, 2009.

The Chairman of the Remuneration Committee Dr. B. Venkataraman was present at the last Annual General Meeting of the Company held on 10th September, 2008.

(d) Remuneration Policy

The remuneration policy is to remain competitive in the industry and to attract and retain 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, 2009 are as under:-

- 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 Remuneration paid to Non-Executive Directors are as under:-

Name of the Director	Sitting Fee (Rs.)
Mr. Rakesh Mehta	65,000
Dr. Prathap C Reddy	65,000
Mr. Vivek Rae	15,000
Mr. V. V. Bhat	1,45,000
Dr. B Venkataraman	1,80,000
Lt. Gen. (R)Vijay Lall	1,80,000
Ms. Suneeta Reddy	1,05,000
Ms. Renu S Karnad	50,000
Mr. V. R. Reddy	15,000
Mr. Satnam Arora	45,000
Mr. Rakesh Behari	15,000
Mr. Anil Kamineni	20,000
Mr. S. Regunathan	20,000



Apart from receiving Director's Remuneration by way of sitting fee for attending each meeting of the Board or Committee thereof, none of the Non-Executive Directors has any pecuniary relationship or transactions with the Company during the year ended 31st March, 2009.

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

Name of the Director	Salary	Perquisites	Total (Rs.)
Mr. Richard Leroy Larison	57,63,800	3,70,243	61,34,043

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 twice during the year.

- | | |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| a) Name of the Non-Executive Director heading the Committee | Lt. Gen. (R) Vijay Lall |
| b) Name and Designation of the Compliance Officer | Mr. Ajay Kumar Singhal Vice President cum Company Secretary |
| c) Number of Shareholders Complaints | The Company has received ninety five complaints during the year and six complaints were pending at the beginning of the year. |

- | | |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| d) Numbers not resolved to the satisfaction of shareholders | Ninety seven complaints have been resolved during the year. All the complaints were resolved to the satisfaction of the complainants. |
| e) Number of pending complaints as on 31 st March, 2009 | Four (The complaints have been resolved as of date) |

6. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time
2007-2008	FICCI, Golden Jubilee Auditorium, 2008	10th September, 2008	11.00 A.M.
2006-2007	Federation House, Tansen Marg, New Delhi - 110001	21st September, 2007	10.15 A.M.
2005-2006	New Delhi - 110001	11th August, 2006	10.15 A.M.

Note:-

- Special Resolution was passed at all three AGM mentioned above for the appointment of Auditors, as more than 25% of the share capital of the Company is held by the Govt. of Delhi.
- Special Resolution was passed at AGM on 21st September, 2007, in pursuance of Section 198, 269 & 309 of the Companies Act, 1956 for the appointment of and remuneration to Mr. Richard Leroy Larison as "Managing Director" of the Company.
- Special Resolution was passed at AGM on 21st September, 2007, in pursuance of Section 310 of the Companies Act, 1956 for increase in the remuneration payable to Mr. Richard Leroy Larison, Managing Director 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.

Indraprastha Medical Corporation Limited

7. DISCLOSURES

- 1) During the financial year ended 31st March, 2009, the following were the related party transactions of material nature:-

			Rs. in Lakhs	
Name	Relationship	Nature of Transactions	31st March, 2009	31st March, 2008
Apollo Hospitals Enterprise Limited	Associate	Pharmacy-Consumables	1374.61	957.82
		Licence Fees	78.00	78.00
		Commission on Pharmacy Sales	275.46	237.46
		Reimbursement of Expenses	32.49	49.44
		Account Payable	11.23	484.85
Managing Director	Key Management Personnel	Remuneration to Managing Director	61.34	95.59

- 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 on Corporate Governance. As regards the Non-mandatory requirements the extent of compliance has been stated in this report against each item.
- 5) A qualified practicing Company Secretary carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with 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 | Published in the newspapers in terms of Clause 49 of the Listing Agreement. |
| (ii) Newspapers wherein results normally published | Financial Express – All edition & Jansatta (Hindi) – Delhi edition |
| (iii) Any website, where displayed | Yes – www.apollohospdelhi.com |
| (iv) Whether it also displays official news releases | Yes |
| (v) The presentations made to institutional investors or to the analysts | No |

9. GENERAL SHAREHOLDER INFORMATION

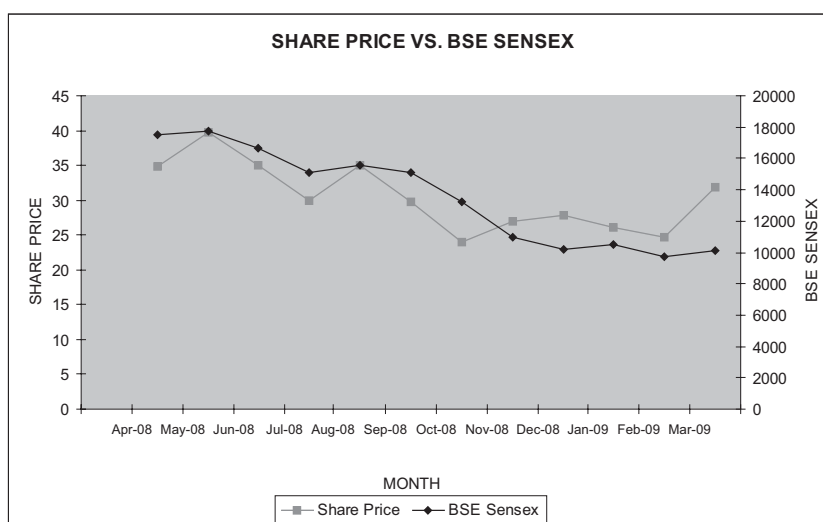
- | | |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Annual General Meeting Date and Time and Venue | 9 th September, 2009 at 11.00 A.M.
FICCI, Golden Jubilee Auditorium,
Federation House, Tansen Marg,
New Delhi – 110001. |
| b. Financial Calendar | 1 st Qtr. - 1 st April to 30 th June
2 nd Qtr. - 1 st July to 30 th September
3 rd Qtr. - 1 st October to 31 st December
4 th Qtr. - 1 st January to 31 st March |
| c. Book Closure Date | Monday, 31 st August, 2009 to
Wednesday, 9 th September, 2009.
(both days inclusive). |



- d. Dividend Payment Date** On or after 13th September, 2009
- e. Listing on Stock Exchanges** 1) The Bombay Stock Exchange Limited (BSE) &
2) The National Stock Exchange of India (NSE)
The annual listing fee for the year 2009-10 has been paid.
- f. Stock Code / Symbol** BSE - 532150
NSE - INDRAMEDCO
INE681B01017
- Demat ISIN in NSDL & CDSL**
- g. Market Price Data** Monthly High & Low during each month of the financial year 2008-09 at National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) are as under:-

Month	National Stock Exchange			NSE Index (S&P CNX 500)		
	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)	Highest (Rs.)	Lowest (Rs.)	Volume (Nos.)
April, 2008	35.10	30.10	9,80,739	34.90	28.70	2,92,053
May, 2008	37.35	30.00	6,69,902	39.70	26.30	3,82,931
June, 2008	32.00	26.55	10,50,876	35.00	26.70	5,69,655
July, 2008	30.00	24.80	5,60,244	29.95	25.00	3,28,116
August, 2008	32.50	28.20	11,78,963	35.00	28.10	4,73,790
September, 2008	31.00	21.85	8,01,135	29.80	21.65	2,78,944
October, 2008	26.70	18.00	11,16,980	24.00	18.05	3,79,418
November, 2008	27.70	19.60	13,77,902	27.00	19.90	4,91,277
December, 2008	29.00	22.60	6,84,484	27.80	22.60	9,90,715
January, 2009	27.45	22.60	4,33,956	26.10	22.90	1,78,334
February, 2009	25.00	23.00	4,26,966	24.70	22.80	2,04,566
March, 2009	31.50	23.55	21,09,180	31.95	23.55	11,82,611

Performance of the share price of the Company in comparison to BSE Sensex



- h. 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. A-40, 2nd Floor, Near Batra Banquet Hall, Naraina Ind. Area, Phase – II,
New Delhi – 110 028.
- i. 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

j. Distribution of shareholding as on March 31, 2009.

Shareholding of nominal value of Rs.	Rs.	Shareholders		Share Amount	
		Number	% to total	Rs.	% to total
Upto	2,500	18,855	58.543	2,35,28,320	2.567
2,501 -	5,000	6,750	20.958	2,91,59,930	3.181
5,001 -	10,000	3,350	10.401	2,97,03,060	3.240
10,001 -	20,000	1,471	4.567	2,34,05,660	2.553
20,001 -	30,000	526	1.633	1,37,72,910	1.502
30,001 -	40,000	244	0.758	89,67,980	0.978
40,001 -	50,000	259	0.804	1,251,6,480	1.365
50,001 -	1,00,000	361	1.121	2,72,77,470	2.976
1,00,001 & above		391	1.214	74,83,98,190	81.638
Total		32,207	100.000	91,67,30,000	100.000

Shareholding Category as on 31st March, 2009

Category	No. of Shares held	% to total
Indian Promoters	4,44,84,001	48.53
Foreign Promoters	22,68,322	2.47
Mutual Funds & UTI	21,03,898	2.30
Financial Institutions / Banks	13,96,170	1.52
Bodies Corporate	1,47,83,525	16.13
NRI's/OCB's	20,49,583	2.23
Indian public	2,45,87,501	26.82
Grand Total	9,16,73,000	100.000

Shares held by Non-Executive Directors

The number of shares held by Non-Executive Directors as on 31st March, 2009, 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
Prof. Ranjit Roy Chaudhury	1,000

k. Dematerialisation of Shares

About 67% of the Company's paid-up equity share capital has been dematerialised upto 31st March, 2009.

The details of demat of shares as on 31st March, 2009 are as under:-

	No. of Shareholders	No. of Shares	% of Capital
NSDL	19,057	5,76,45,384	62.88
CDSL	5,359	38,02,057	4.15

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.

l. 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.



m. Hospital Location

Indraprastha Apollo Hospitals,
Sarita Vihar, Delhi-Mathura Road,
New Delhi – 110076.

n. Address for Correspondence

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

NON-MANDATORY REQUIREMENTS

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. (a) Whether Chairman of the Board is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.</p> <p>(b) Independent Directors may have a time not exceeding in the aggregate a period of nine years on the Board of the Company.</p> | <p>No office for the Chairman is maintained at the Company's expense. There was no reimbursement of expenses to the Chairman.</p> <p>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 13 years.</p> |
| <p>2. Remuneration Committee</p> | <p>Please refer to Sr. No. 4 of this report</p> |
| <p>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</p> | <p>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.</p> |
| <p>4. Audit Qualifications</p> | <p>There are no audit qualifications in the Auditors report.</p> |
| <p>5. Training of Board Member</p> | <p>At present, the Company does not have such a training programme for the Board members.</p> |
| <p>6. Mechanism for evaluating non-executive Board members</p> | <p>At present, the Company does not have such a mechanism as contemplated for evaluating the performance of non-executive Board members.</p> |
| <p>7. Whistle Blower Policy</p> | <p>At present, the Company does not have a Whistle Blower Policy.</p> |

For and on behalf of the Board

Rakesh Mehta
Chairman

Place : New Delhi
Date : 28th July, 2009

Indraprastha Medical Corporation Limited

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., for the year ended on 31.03.2009, 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 abovementioned Listing Agreement.

We state that 4 (four) investor grievance(s) are pending against the company as per the records maintained by the company as on 31st March 2009.

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

Place : New Delhi
Date : 28th July, 2009

Sanjay Vasudeva
Partner
M.No. 90989

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, 2009.

Name : Jaideep Gupta
Designation : Managing Director
Date : 18th July, 2009



AUDITORS' REPORT

To the Members of

Indraprastha Medical Corporation Limited.

We have audited the attached Balance Sheet of **Indraprastha Medical Corporation Limited, as at 31st March, 2009** and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes an examination, on a test basis, of the evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the annexure referred to above, 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 the books;
- c) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement are in agreement with the books of account;
- d) The Balance Sheet, Profit and Loss Account 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 the written representations received from the directors/companies in which they are directors as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) The provisions of Section 441 A of the Companies Act, 1956 regarding the levy and collection of cess on turnover or gross receipts of the companies, have not yet been notified by the Central Government. Accordingly, we do not express our opinion on the compliance of the said Section in terms of clause (g) of sub-section (3) of section 227.
- g) In our opinion and to the best of our information and according to explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, 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, 2009;
 - ii.) In the case of the Profit and Loss Account, 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

For S.C.Vasudeva & Co.
Chartered Accountants

Sanjay Vasudeva
Partner

Place: New Delhi

Dated: 30th April, 2009

M.No. 90989

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred in paragraph 3 of our report to the members of Indraprastha Medical Corporation Limited on accounts for the financial year ended 31st March 2009.

- (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 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. 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, Cess and other material statutory dues applicable to the company, if any, have 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, there are no dues of Sales tax, Income-tax, Customs Duty, Wealth tax, Service tax and Cess which have not been deposited on account of any dispute.
- (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

Sanjay Vasudeva

Partner

M.No. 90989

Place: New Delhi

Dated: 30th April, 2009

Indraprastha Medical Corporation Limited

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	Schedule No.	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	916,730,000	916,730,000
Reserves and Surplus	2	301,276,942	223,285,875
Loan Funds			
Secured Loans	3	492,700,655	646,344,969
Deferred Tax Liability (Net)		307,853,644	293,063,544
Total		2018561,241	2,079,424,388
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	3,478,297,641	3,233,002,537
Less: Depreciation		1,525,068,993	1,338,390,631
Net Block		1,953,228,648	1894611,906
Capital Work in Progress		60,308,681	41082,997
Current Assets, Loans and Advances			
Inventories	5	90,834,761	95,320,760
Sundry Debtors		285,700,756	328,887,059
Cash and Bank Balances		31,204,429	27,598,385
Other Current Assets		163,940,795	106,819,055
Loans and Advances		247,299,760	218,028,357
		818,980,501	7,766,53,616
Less: Current liabilities and Provisions			
Liabilities	6	506,024,877	376,613,447
Provisions		307,931,712	256,310,684
		813,956,589	632,924,131
Net Current Assets		5,023,912	143,729,485
Total		2,018,561,241	2,079,424,388
Notes to Accounts	10		

As per our separate report of even date attached
For S.C. Vasudeva & Co.
Chartered Accountants

Sanjay Vasudeva
Partner
M. No. 90989

Ajay Kumar Singhal
Vice President Cum
Company Secretary

Rakesh Mehta
Dr. Prathap C. Reddy
Jaideep Gupta
Suneeta Reddy

Chairman
Vice Chairman
Managing Director
Director

Place : New Delhi
Date : 30th April, 2009



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Schedule No.	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
INCOME			
Hospital Revenue		3,911,852,537	3,147,073,077
Other Income	7	146,980,778	134,477,293
Total		4,058,833,315	3,281,550,370
EXPENDITURE			
Stores and Spares consumed		1,166,949,459	948,220,537
Operating and Administrative Expenses	8	2,275,198,656	1,850,630,653
Interest and other Financial Charges	9	57,474,859	62,750,593
Depreciation		186,678,362	161,711,455
Total		3,686,301,336	30,233,13,238
Profit before tax		372,531,979	258,237,132
Less : Provision for		112,681,537	78,469,209
- Current Tax		14,790,110	12,893,063
- Deferred Tax		6,289,718	5,249,022
- Fringe Benefit Tax		103,572	85,239
- Wealth Tax		(203,265)	61,376
Tax paid/excess provision for tax written back			
Profit after tax		238,870,307	161,479,223
Add : Balance brought forward		207,639,846	207,639,846
Balance available for appropriation		238,870,307	161,479,223
Appropriations			
Transferred to General Reserve		12,500,000	10,000,000
Proposed Dividend		137,509,500	128,342,200
Tax on Proposed Dividend		23,369,740	21,811,757
Surplus carried to Balance Sheet		65,491,067	1,325,266
Earnings per share of Rs. 10/- each			
(Refer to note no. 10 of Notes to Accounts)			
Basic & Diluted		2.61	1.76
Notes to Accounts	10		

As per our separate report of even date attached
For S.C. Vasudeva & Co.
 Chartered Accountants

Sanjay Vasudeva
 Partner
 M. No. 90989

Ajay Kumar Singhal
 Vice President Cum
 Company Secretary

Rakesh Mehta
 Dr. Prathap C. Reddy
 Jaideep Gupta
 Suneeta Reddy

Chairman
 Vice Chairman
 Managing Director
 Director

Place : New Delhi
 Date : 30th April, 2009

Indraprastha Medical Corporation Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	Year Ended 31st March, 2009 Rs.	Year Ended 31st March, 2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & Extraordinary items	372,531,979	258,237,132
Add:		
Depreciation	186,678,362	161,711,455
Interest charged	47,332,290	52,219,515
Loss on sale of fixed assets	-	587,764
Deduct:		
Interest received	3,097,164	1,003,783
Operating Profit before Working Capital changes	603,445,467	471,752,083
Adjustments for		
Trade & Other Receivables	(22,559,606)	85,616,328
Trade payables	126,653,291	97,767,579
Inventories	4,485,999	(16,952,574)
Cash Generated from Operations	712,025,151	638,183,416
Deduct:		
Interest paid	(4,016,699)	(7,041,011)
Income tax paid	(109,496,518)	(84,250,752)
Net Cash from Operating Activities	598,511,934	546,891,653
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Assets (Net of sale)	(253,534,102)	(427,333,036)
Interest received	2,864,248	932,553
Net Cash from Investing Activities	(250,669,854)	(426,400,483)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from - long term loans	-	150,000,000
Proceeds from - short term loans	100,000,000	200,000,000
Repayment of - long term loans	(151,882,811)	(123,500,000)
Repayment of - short term loans	(100,000,000)	(200,000,000)
Interest paid	(43,851,183)	(42,648,774)
Dividend paid	(148,502,042)	(132,858,009)
Net Cash from Financing Activities	(344,236,036)	(149,006,783)
Net increase in Cash and Cash equivalents	3,606,044	(28,515,613)
Opening Cash and Cash equivalents	27,598,385	56,113,998
Closing Cash and Cash equivalents	31,204,429	27,598,385

As per our separate report of even date attached
For S.C. Vasudeva & Co.
Chartered Accountants

Sanjay Vasudeva
Partner
M. No. 90989

Ajay Kumar Singhal
Vice President Cum
Company Secretary

Rakesh Mehta
Dr. Prathap C. Reddy
Jaideep Gupta
Suneeta Reddy

Chairman
Vice Chairman
Managing Director
Director

Place : New Delhi
Date : 30th April, 2009



SCHEDULES

SCHEDULE 1

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SHARE CAPITAL		
Authorised		
10,00,00,000 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		
(9,16,73,000 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>

SCHEDULE 2

RESERVES AND SURPLUS

(a) General Reserve		
As per last account	20,000,000	10,000,000
Add: Transferred from Profit and Loss Account	12,500,000	10,000,000
	<u>32,500,000</u>	<u>20,000,000</u>
(b) Profit and loss account		
Opening balance	203,285,875	201,960,609
Add: Surplus for the year	65,491,067	1,325,266
	<u>268,776,942</u>	<u>203,285,875</u>
	<u>301,276,942</u>	<u>223,285,875</u>

SCHEDULE 3

SECURED LOANS

Loans from Banks:		
-Term loan	242,000,000	362,125,000
(The above are 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)		
From Institutions:		
-Term loan	-	-
Other Loans and Advances:		
-Term loan	118,242,189	150,000,000
(The above are secured by exclusive charge on the medical equipment and other movable fixed assets funded from the term loan)		
(Due for repayment within 12 months Rs. 16,93,13,159/- (Previous year Rs. 11,18,81,451/-))		
Working capital facility from Bank	132,458,466	134,219,969
(Secured against hypothecation of stores, spares and receivables)		
	<u>492,700,655</u>	<u>646,344,969</u>

Indraprastha Medical Corporation Limited

38 SCHEDULE 4

FIXED ASSETS

Particulars	Gross Block			Depreciation/Amortisation			Impairment		Net Block	
	Cost As at 1.04.2008 (Rs.)	Additions (Rs.)	Deletion/ Adjusted (Rs.)	Cost As at 31.03.2009 (Rs.)	Up to 31.03.2008 (Rs.)	For the Year (Rs.)	Written back/ Adjusted (Rs.)	Up to 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)	As at 31.03.2009 (Rs.)
(A) Tangible Assets										
LEASEHOLD LAND (LEASED FROM DELHI ADMINISTRATION)	NIL			NIL					NIL	NIL
BUILDINGS	896,149,198	42,884,059	-	939,033,257	147,525,019	18,209,259	-	165,734,278	748,624,179	773,298,979
FURNITURE & FITTINGS	100,290,810	27,080,701	-	127,371,511	52,983,563	8,061,223	-	61,044,786	47,307,247	66,326,725
PLANT & MACHINERY	303,894,325	40,618,944	-	344,613,269	122,478,070	15,796,335	-	138,274,405	181,516,255	206,338,864
OFFICE EQUIPMENT	179,062,874	40,420,781	-	219,483,655	114,172,928	14,461,113	-	128,634,041	64,889,946	90,849,614
MEDICAL EQUIPMENT	1,717,628,066	90,579,755*	-	1,808,207,821	757,963,801	126,528,846	-	884,492,647	838,867,937	802,918,846
VEHICLES	14,851,623	3,384,164	-	18,335,787	4,832,051	1,618,130	-	6,450,181	10,119,572	11,885,606
TOTAL (A)	3,212,076,896	244,968,404	-	3,457,045,300	1,199,955,432	184,674,906	-	1,384,630,338	1,891,325,136	1,951,618,634
(B) Intangible Assets										
SOFTWARE	20,925,641	326,700	-	21,252,341	17,638,871	2,003,456	-	1,96,42,327	3,286,770	1,610,014
TOTAL (B)	20,925,641	326,700	-	21,252,341	17,638,871	2,003,456	-	1,96,42,327	3,286,770	1,610,014
GRAND TOTAL (A+B)	3,233,002,537	245,295,104	-	3,478,297,641	1,217,594,303	186,678,362**	-	1,404,272,665	1,953,228,648	1,894,611,906
Previous Year Capital Work In Progress	2,873,431,720	362,247,241	2,676,424	3,233,002,537	1,057,309,297	161,711,451	1,426,445	1,217,594,303	1,894,611,906	1,695,326,095

* Includes additions during the year amounting to Rs. 53,651,965/- (Previous Year Rs. 156,897,777/-) which have been depreciated @ 13.57% based on the technological evaluation of the estimated useful life of seven years.

** Includes Rs. 2,003,456/- (Previous year 2,247,152/-) on account of amortisation of intangible assets.



SCHEDULE 5	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories		
Stores & Spares	31,559,915	39,958,586
Crockery & Utensils	4,317,707	3,884,977
Linen	11,482,761	8,541,348
Medical & Surgical Instruments	43,474,378	42,935,849
	<u>90,834,761</u>	<u>95,320,760</u>
Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
– Considered Good	81,971,561	160,737,549
– Doubtful	13,252,757	11,424,803
Other Debts		
– Considered Good	203,729,195	168,149,510
	<u>298,953,513</u>	<u>340,311,862</u>
Less : Provision for doubtful debts	13,252,757	11,424,803
	<u>285,700,756</u>	<u>328,887,059</u>
Cash and Bank Balances		
– Cash balance on hand	9,181,562	5,417,566
– With scheduled banks		
in current accounts	7,750,415	9,959,863
in fixed deposits	5,993,201	5,593,620
(includes Rs. 29,15,160/- pledged towards margin money (previous year 29,15,160/-))		
– With scheduled banks in Unpaid Dividend Account	8,279,251	6,627,336
	<u>31,204,429</u>	<u>27,598,385</u>
Other Current Assets		
Patient's treatment in progress	78,462,816	57,846,567
Interest Receivable	604,878	371,962
Other Receivable	84,873,101	48,600,526
	<u>163,940,795</u>	<u>106,819,055</u>
Loans and Advances		
(Unsecured, considered good)		
Advance for capital items	16,281,144	21,763,139
Advances recoverable in cash or in kind or for value to be received	22,247,596	20,748,201
Prepaid Taxes	158,464,653	132,568,340
Deposits	11,114,293	11,482,693
Prepaid Expenses	39,192,074	31,465,984
	<u>247,299,760</u>	<u>218,028,357</u>

Indraprastha Medical Corporation Limited

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE 6		
CURRENT LIABILITIES AND PROVISIONS		
a. Current Liabilities		
Sundry Creditors - Due to Micro and Small Enterprises	-	-
Due to Others -for Capital Works	15,926,013	10,421,312
-for Expenses	149,784,498	129,613,044
Advance from patients	131,149,448	79,029,144
Unclaimed Dividend	8,279,251	6,627,336
Other liabilities	198,891,529	148,392,881
Interest Accrued but not due	1,994,138	2,529,730
	<u>506,024,877</u>	<u>376,613,447</u>
b. Provisions		
Provision for Income tax	112,681,537	78,469,209
Provision for Fringe Benefit tax	6,289,718	5,249,022
Provision for Wealth tax	103,572	85,239
Proposed Dividend	137,509,500	128,342,200
Tax on Proposed Dividend	23,369,740	21,811,757
Provision for Employee Benefits	27,977,645	22,353,257
	<u>307,931,712</u>	<u>256,310,684</u>
	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
SCHEDULE 7		
OTHER INCOME		
Interest received from banks (Tax deducted at source Rs. 4,59,202/- (Previous Year Rs. 2,22,411/-))	2,247,669	940,739
Interest received from others	849,495	63,044
License fee & commission from licensees	55,948,105	47,068,651
Service charges received from doctors	16,346,388	14,625,097
Miscellaneous income	67,524,117	64,868,536
Provision no longer required written back	4,065,004	6,911,226
	<u>146,980,778</u>	<u>134,477,293</u>



SCHEDULE 8	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
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OPERATING AND ADMINISTRATIVE EXPENSES

Salaries and wages	699,411,644	569,455,554
Contribution to Provident & Other Funds	37,463,022	34,872,599
Staff welfare	36,740,520	24,894,103
Consultation fees paid to doctors	908,003,809	730,600,639
Outside lab investigations	6,992,121	6,607,157
Leasehold ground rent	12	12
Power & Fuel	134,666,889	128,262,212
Rent	19,313,558	8,635,634
Travelling and Conveyance	36,617,926	30,436,174
Insurance	5,587,586	7,109,972
Directors' sitting fees	920,000	840,000
Communication	18,983,046	16,997,355
Printing and stationery	27,327,881	27,980,644
Advertisement	87,908,662	62,643,763
Legal and professional charges	30,582,415	23,394,233
Security charges	10,615,158	8,935,608
Payment to auditors	884,270	810,000
Auditors out of pocket expenses	30,992	26,749
Rates, taxes and licenses	16,005,561	7,057,156
Loss on Sale of Discarded Assets	-	587,764
Service Charges	99,701,247	95,285,109
Repairs and maintenance		
- Building	28,312,005	13,279,169
- Plant & Machinery	32,329,749	21,358,956
- Others	13,687,129	10,111,807
Miscellaneous expenses	13,536,830	10,424,024
Bad debts written off	3,683,666	5,959,256
Provision for doubtful debts	5,892,958	4,065,004
	<u>2,275,198,656</u>	<u>1,850,630,653</u>

SCHEDULE 9

INTEREST AND OTHER FINANCIAL CHARGES

Interest on term loans	43,315,591	451,78,504
Interest on working capital	4,016,699	7,041,011
Other financial charges	10,142,569	10,531,078
	<u>57,474,859</u>	<u>62,750,593</u>

Indraprastha Medical Corporation Limited

SCHEDULE 10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009.

I. 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 on 31st March, 2009.
- ii) The revenue in respect of export benefits is recognized on the basis of foreign exchange earned during the year at the rate at which the said entitlement accrues.

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, an 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 an 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 and 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 Profit and Loss account 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 LIC 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, construction or production 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.
- (ii) Fringe Benefit Tax is provided on the aggregate amount of fringe benefits determined in accordance with the provisions of the relevant enactments at the specified rate of tax.

N. Provisions and Contingent Liabilities

- (i) 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

Indraprastha Medical Corporation Limited

II. Notes on Accounts

- Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 4,50,09,299/- (Previous Year Rs. 6,87,89,948/-).

2. Contingent Liability

- Claims against the company not acknowledged as debt Rs. 41,67,21,000/- (Previous Year Rs. 43,22,85,000/-) and interest thereon. This represents suits filed against the company and the consultant doctors. 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.
 - Letters of credit/Bank guarantees outstanding on account of stores/spares and medical equipment amounting to Rs. 4,46,19,072/- (Previous Year Rs. 1,78,45,685/-).
 - In respect of Income Tax cases pending before Income Tax appellate authorities amounting to Rs. NIL (Previous Year Rs. 57,01,167/-).
- The appeal filed by the company against assessment of property tax by MCD, has been decided by the Additional District Judge, Delhi on 17th April, 2004 remanding the case to MCD for reassessment on the basis of directions set out in the said order.

The Company had provided Rs. 8,36,93,078/- against property tax liability up to 31st March, 2004. The Company has been advised by their legal counsel that on the basis of facts and the directions given by the Honorable Judge, the Company's liability is not likely to exceed the amount provided for the said liability in the books of account.

Further the company has provided Rs. 29,68,053/- (Previous Year Rs. 29,68,053/-) against property tax liability for the year ended 31st March, 2009 as per unit area method of calculating the property tax.

- 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. 15,47,80,000 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, 2009, the aforesaid fund, together with interest thereon amounting to Rs. 19,23,57,946 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.

5. Employee benefits

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

	Amount in Rs.			
	2008-09		2007-08	
	Gratuity Funded	Leave Unfunded	Gratuity Funded	Leave Unfunded
(a) Expense recognised in Profit and Loss Account				
Current Service Cost	6,234,867	7,639,236	5,939,102	7,001,298
Interest Cost	2,802,399	1,788,260	1,798,288	1,099,343
Expected return on Plan Assets	(2,944,546)	-	(2,076,818)	-
Net Actuarial (Gain)/ Loss recognised in the year	1,304,375	4,274,805	1,849,225	5,928,701
Total expenses recognised in the Profit and Loss Account	7,397,095	13,702,301	7,509,797	14,029,342
(b) Amount recognised in the Balance Sheet				
Present value of obligation as at the end of the year	38,288,370	27,977,645	29,988,254	22,353,257
Fair value of plan assets as at the end of the year	38,902,974	-	23,773,204	-
Unfunded net liability recognised in the Balance Sheet	(614,604)	27,977,645	6,215,050	22,353,257



Amount in Rs.

	2008-09		2007-08	
	Gratuity Funded	Leave Unfunded	Gratuity Funded	Leave Unfunded
(c) Change in the present value of obligations				
Present value of obligations at beginning of the year	29,988,254	22,353,257	22,478,604	13,741,788
Interest cost	2,802,399	1,788,260	1,798,288	1,099,343
Current service cost	6,234,867	7,639,236	5,939,102	7,001,298
Benefits paid	(2,386,267)	(8,077,913)	(2,076,965)	(5,417,873)
Actuarial loss / (gain) on obligations	1,649,117	4,274,805	1,849,225	5,928,701
Present Value of obligations at year end	38,288,370	27,977,645	29,988,254	22,353,257
(d) Changes in fair value of plan assets				
Fair value of plan assets at the beginning of the year	23,773,204	-	22,321,984	-
Expected return on plan assets	2,944,546	-	2,076,818	-
Employer contribution	14,226,749	-	1,451,367	-
Benefits paid	(2,386,267)	-	(2,076,965)	-
Actuarial loss / (gain) on Plan Assets	344,742	-	-	-
Fair value of plan assets at the end of the year	38,902,974	-	23,773,204	-
(e) Principal actuarial assumptions at the Balance Sheet Date (Expressed as weighted average).				
Discount Rate	7.75%	8%	8%	8%
Expected rate of return on plan assets (In case of Gratuity Fund)	8%	-	8%	-
Expected rate of salary increase	5%	5.5%	5.5%	5.5%
Method used		Projected unit credit method	Projected unit credit method	

(ii) The company's contribution to providend fund scheme recognised as expense for the year are as under:

	Amount in Rs.	Amount in Rs.
- Contribution to Providend fund	15,130,951	12,910,041
- Contribution to Pension fund	11,906,330	11,309,305

6. The company had filed application for determination of question of law under section 84 of the Delhi Value Added Act, 2004 (VAT) before the Commissioner, Trade and Taxes, Delhi (CTT) regarding the applicability of VAT to the hospitals, inter alia, in respect of medicines and consumables administered by the hospitals in the course of medical treatment to its patients.

The CTT has vide its order dated 17th March, 2006 in this regard held that VAT would be applicable to the hospitals in respect of the aforesaid. The company preferred an appeal against aforesaid order of the CTT before Delhi VAT Tribunal. The matter is now pending before Delhi VAT Tribunal.

7. Travelling and conveyance includes Rs. 838,047/- (Previous Year Rs. 2,362,470/-) on account of Directors' travelling.

8. (a) For the current year ended 31st March, 2009 timing differences have resulted in a net deferred tax expense amounting to Rs. 14,790,110/-, which is adjusted to the provision for taxation for the year.

(b) Deferred Tax Liability (net) as on 31st March, 2009 is as follows:

	Amount in Rs.
Timing difference on account of depreciation	317,935,503
Less: Deferred tax assets arising on account of Provision for doubtful debts	4,504,612
Provision for Employee benefits	5,577,247
Net deferred tax liability	307,853,644

Indraprastha Medical Corporation Limited

9. Related party disclosures

			Rs. in Lakhs	
Name	Relationship	Nature of Transactions	31 st March, 2009	31 st March, 2008
Apollo Hospitals	Associate	Pharmacy - Consumables	1374.61	957.82
Enterprise Limited		Licence Fees	78.00	78.00
		Commission on Pharmacy Sales	275.46	237.46
		Reimbursement of Expenses	32.49	49.44
		Account Payable	11.23	484.85
Managing Director	Key Management Personnel	Remuneration to Managing Director	61.34	95.59

10. The Basic earning per share (EPS) disclosed in the profit and loss accounts has been calculated by dividing the net profit for the year ended 31st March, 2009 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. 23,88,70,307/- and the weighted average number of equity share is 9,16,73,000 for this purpose.

11. The company is in process of identifying the creditors which are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Pending such determination, the amount due to any such enterprise including interest thereon, has not been separately ascertained and thereby not disclosed in the Balance Sheet.

	2008-2009 (Amount in Rs.)	2007-2008 (Amount in Rs.)
12. (a) Remuneration to Managing Director:		
Salary & allowances	5,763,800	8,253,000
Perquisites	370,243	1,305,700
As no commission is payable to the Managing Director, the computation of net profits under section 349/350 of the Companies Act, 1956, is not being given.		
(b) Mr. Richard Leroy Larison, Managing Director of the company resigned from his office w.e.f 16th July, 2008. The new Managing Director is proposed to be appointed by the Board of Directors in their immediately ensuing meeting.		
13. Earnings in Foreign Currency:		
On account of Hospital Revenue	445,975,783	301,267,295
14. Expenditure incurred in Foreign Currency:		
On account of travel	1,897,065	3,030,307
On account of other matters	14,234,384	4,492,032
Outflow of Foreign Currency on account of dividend:		
On account of remittance of dividend	3,230,671	2,904,055
For financial year	2007-2008	2006-2007
Number of non-resident shareholders	29	30
Number of shares held by them	2,307,622	2,323,241
15. Value of Imports on CIF basis:		
Capital Goods	58,539,405	129,717,416
Stores & Spares	16,778,435	16,407,195



	2008-2009 (Amount in Rs.)	2007-2008 (Amount in Rs.)
17. Payment to Auditors:		
As audit fee	800,000	725,000
Tax audit fee	84,270	60,000
Other matters	-	25,000
Total	<u>884,270</u>	<u>810,000</u>

Particulars	2008-2009		2007-2008	
	<u>Rs.</u>	<u>%</u>	<u>Rs.</u>	<u>%</u>
Imported	19753,936	1.69	18,543,547	1.96
Indigenous	1,147,195,523	98.31	929,676,990	98.04
Total	<u>1,166,949,459</u>	<u>100</u>	<u>948,220,537</u>	<u>100</u>

18. 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.

19. 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.

20. Previous year figures have been regrouped/rearranged wherever necessary.

21. Schedule 1 to 10 form an integral part of the Balance Sheet and Profit & Loss Account and have been authenticated as such.

22. 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

Sanjay Vasudeva
Partner
M. No. 90989

Ajay Kumar Singhal
Vice President Cum
Company Secretary

Rakesh Mehta
Dr. Prathap C. Reddy
Jaideep Gupta
Suneeta Reddy

Chairman
Vice Chairman
Managing Director
Director

Place : New Delhi
Date : 30th April, 2009

Indraprastha Medical Corporation Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : 55-30958 State Code : 55

Balance Sheet 31 03 2009
Date Month Year

II. Capital raised during the year (Amount in Rs. '000)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement:	NIL
		Foreign Direct Investment	NIL
		Promoters	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities	2,018,561	Total Assets	2,018,561
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Sources of Funds

Paid-up Capital	916,730	Reserves & Surplus	301,277
Share Application Money	NIL	Unsecured Loans	—
Secured Loans	492,700	Net deferred tax liability	307,853

Application of Funds (Amount in Rs. '000)

Net Fixed Assets	1,953,228	Capital Work in Progress	60,308
Net Current Assets	5,024	Investment	Nil
Accumulated Losses	Nil	Misc. Expenditure	-

IV. Performance of Company (Amount in Rs. '000)

Total Income	4,058,833	Total Expenditure	3,686,301
Profit/Loss Before Tax	372,532	Profit/Loss After Tax	238,870
Earning per share in Rs.	2.61	Dividend	137,509

V. Generic Names of Three Principal Products/Services of Company (as per terms)

Item Code No. (ITC Code):	—
Product Description:	Health Care Services

INDRAPRASTHA MEDICAL CORPORATION LIMITED

Hospital Complex, Sarita Vihar, Delhi-Mathura Road, New Delhi - 110 076

PROXY FORM

DP Id.....

Client Id.....

(For shares held in Demat Form)

Folio No.

(For shares held in Physical Form)

I/We

being a Member/Members of Indraprastha Medical Corporation Limited hereby appoint

..... of in the

district of or failing him

..... of in the

district of as my/our Proxy to vote for me/us on my/our behalf at the

Annual General Meeting of the Company to be held on Wednesday, 9th September 2009 at 11.00 a.m. at

FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi - 110 001 and at any

adjournment thereof.

Signed this day of 2009.

Signature



NOTE: The instrument appointing Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

INDRAPRASTHA MEDICAL CORPORATION LIMITED

Hospital Complex, Sarita Vihar, Delhi-Mathura Road, New Delhi - 110 076.

ATTENDANCE SLIP

DP Id.....

Client Id.....

(For shares held in Demat Form)

Folio No.....

(for shares held in Physical Form)

Name of the Member

No. of Shares held

Name of Proxy

(To be filled in only when a Proxy attends the Meeting)

I hereby record my presence at the Annual General Meeting held on Wednesday, 9th September 2009 at 11.00 a.m. at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi -110 001

Signature of Member/Proxy





Indraprastha Apollo

HOSPITALS

TOUCHING LIVES DELHI

Indraprastha Medical Corporation Limited
Registered office & Hospital Complex
Sarita Vihar, Delhi - Mathura Road, New Delhi - 110076 (India)
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