

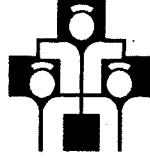
Regency Hospital Ltd.

24th Annual Report
2012-2013



Contents

Notice	2 - 7
Directors' Report	8 - 10
Management Discussion Analysis	11 - 14
Corporate Governance Report	15 - 28
Auditors' Report	29 - 33
Balance Sheet	34
Statement of Profit and Loss	35
Cash Flow Statement	36
Notes to the Financial Statements	37 - 54
Attendance Slip / Form of Proxy	End of Report



Regency Hospital Ltd.

BOARD OF DIRECTORS

Mr. R. L. SRIVASTAVA

Dr. ATUL KAPOOR

Dr. RASHMI KAPOOR

Mr. ANIL KUMAR KHEMKA

Dr. SHYAM SWARUP AGARWAL

- CHAIRMAN
- MANAGING DIRECTOR
- WHOLE TIME DIRECTOR
- DIRECTOR
- DIRECTOR

AUDITORS

M/s. JAIN DHINGRA & ASSOCIATES

CHARTERED ACCOUNTANTS

KANPUR

CHIEF FINANCIAL OFFICER

Mr. SANTOSH KUMAR GUPTA

COMPANY SECRETARY

Ms. KAMINI GUPTA

BANKERS

BANK OF BARODA, KANPUR

ALLAHABAD BANK, KANPUR

SMALL INDUSTRIAL DEVELOPMENT BANK OF INDIA (SIDBI), KANPUR

REGISTERED OFFICE

A-2, SARVODAYA NAGAR,

KANPUR - 208005

HOSPITAL

A-2, SARVODAYA NAGAR,

KANPUR - 208 005

REGISTRAR AND SHARE TRANSFER AGENT

SKYLINE FINANCIAL SERVICES (P) LTD.

D-153/A, 1st FLOOR, OKHALA INDUSTRIAL AREA, PHASE-1,

NEW DELHI-110020.



NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of **REGENCY HOSPITAL LIMITED** will be held on Saturday, September 28, 2013 at 11.00 A.M. at the Registered Office of the Company at A-2, Sarvodaya Nagar, Kanpur-208005 to transact the following business:-

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013, the Statement of Profit & Loss Account for the year ended on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R.L. Srivastava, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Jain Dhingra & Associates, Chartered Accountants (Registration No. 000987C), retiring Auditors of the Company who are eligible for re-appointment for the period commencing from the conclusion of this annual general meeting till the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution** :-

"RESOLVED THAT pursuant to provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Dr. Atul Kapoor, Managing Director of the Company for a further period of five year with effect from 1st September, 2013 on the following terms and conditions as approved by the Remuneration Committee.

a) SALARY

Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousand only) per month.

PERQUISITES

- I. The Managing Director shall be entitled to perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for furnishing and maintenance of residential accommodation, utilisation of gas, electricity, water, reimbursement of medical expenses and leave travel concession for self and family including dependents, club fees, payment towards personal accident insurance and mediclaim and all other payments in the nature of perquisites and allowances as agreed, subject to an overall ceiling of **Rs. 12,00,000/-** per annum without restriction to any sub-limit on individual perquisite.

EXPLANATION

"Family here means the spouse, dependent children and dependent parents of the Managing Director.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose and Telephone at residence (including payment for local calls and long distance official call(s)), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- II. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- III. Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the Income-Tax Act, 1961.

- IV. The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

MINIMUM REMUNERATION

RESOLVED FURTHER THAT where in any Financial Year during the tenure of Managing Director, the Company has no profits or its profits are inadequate, Dr. Atul Kapoor, Managing Director shall be entitled to remuneration by way of salary and perquisites as specified supra, as minimum remuneration, subject to such approvals, as may be necessary.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:-

"RESOLVED THAT pursuant to provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Dr. Rashmi Kapoor, Whole Time Director of the Company for a further period of five year with effect from 1st September, 2013 on the following terms and conditions as approved by the Remuneration Committee.

b) SALARY

Rs. 3,50,000/- (Rupees Three Lacs Fifty Thousand only) per month.

PERQUISITES

- I. The Whole Time Director shall be entitled to perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for furnishing and maintenance of residential accommodation, utilisation of gas, electricity, water, reimbursement of medical expenses and leave travel concession for self and family including dependents, club fees, payment towards personal accident insurance and mediclaim and all other payments in the nature of perquisites and allowances as agreed, subject to an overall ceiling of **Rs. 12,00,000/-** per annum without restriction to any sub-limit on individual perquisite.

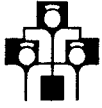
EXPLANATION

"Family here means the spouse, dependent children and dependent parents of the Whole Time Director.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose and Telephone at residence (including payment for local calls and long distance official call(s)), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- II. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- III. Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the Income-Tax Act, 1961.
- IV. The Whole Time Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.



MINIMUM REMUNERATION

RESOLVED FURTHER THAT where in any Financial Year during the tenure of Whole Time Director, the Company has no profits or its profits are inadequate, Dr. Rashmi Kapoor, Whole Time Director shall be entitled to remuneration by way of salary and perquisites as specified supra, as minimum remuneration, subject to such approvals, as may be necessary.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on 17th September, 2011 that pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging, hypothecating and / or charging of all or any of the assets or properties of the Company, movable or immovable, both present and future including the whole or substantially the whole of the undertaking(s) of the Company in favour of Banks and / or Financial Institutions and / or Corporate Bodies for securing the Loans or other Borrowings obtained or to be obtained by the Company upto an amount not exceeding in aggregate a sum of Rs. 125.00 Crores (Rupees One Hundred Twenty Five Crores only) together with interest, cost, charges, expenses and any other money payable by the Company to the said Bank and / or Financial Institutions and / or Corporate Bodies.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute all necessary documents, writings, papers etc. and to do all acts, deeds, matters and things as may be considered necessary for the purpose of giving effect to the above resolution and the matters incidental and consequential thereto."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:-

"RESOLVED THAT in supersession of the resolution passed by the members at the Annual General Meeting held on 17th September, 2011 that pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of money from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the Paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so however, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed a sum of Rs. 125.00 Crores (Rupees One Hundred Twenty Five Crores only)."

Registered Office:
A-2, Sarvodaya Nagar,
Kanpur-208005

By Order of the Board
For Regency Hospital Limited

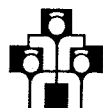
(Kamini Gupta)
Company Secretary

Kanpur, 30th May, 2013

Notes:

1. The relevant Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of Item Nos. 4, 5, 6 and 7 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 Hours before the commencement of the Meeting.
3. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report of the meeting.
5. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all the working days, between 11.00 A.M. and 1.00 P.M. upto the date of the Meeting.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 23, 2013 to Saturday, September 28, 2013 (both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agent, M/s Skyline Financial Services (P) Limited, New Delhi.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members requested to submit the Pan to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent (RTA), for consolidation into a single folio.
11. In terms of Clause 49 of the Listing Agreement, information on Directors seeking appointment at this Annual General Meeting is as under:

Name of Director	Mr. R.L. Srivastava
Date of Birth and Age	July 16, 1939, Age: 74 Years
Appointed on	October 28, 2000
Qualifications	M.S., DDIM
Expertise in specific functional areas	Finance and Administration
Directorship held in other Public Companies (excluding Foreign Companies)	Sir Sadilal Enterprises Limited
Memberships / Chairmanships of committees across public Companies.	NIL



ANNEXURE TO THE NOTICE

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

Item No. 4 and 5

The shareholders at the Annual General Meeting of the Company held on 15th December, 2008 had appointed Dr. Atul Kapoor as Managing Director and Dr. Rashmi Kapoor as Whole time Director of the Company for a period of five years w.e.f. 1st September, 2008 on the terms and conditions as set out in the respective Special Resolutions to the Companies Act, 1956 and which were in accordance with the provisions of the Companies Act, 1956 read with Schedule XIII thereto. The tenure of appointment of Managing Director and Whole time Director expires on 31st August, 2013 and requires to be renewed for further period of five years. In view of the above, the Board of Directors of the Company at its meeting held on May 30, 2013 decided to seek approval of members of the Company for their reappointment w.e.f. 1st September, 2013 to 31st August, 2018 which is in accordance with the provisions of the Companies Act, 1956 read with Schedule XIII thereto. The revision remuneration has been approved by the Remuneration Committee which is in consonance with the prevailing Industry trends and commensurate with the qualifications, experience and the proven capabilities of the said managerial personnel.

None of the Directors of the Company except Dr. Atul Kapoor himself and Dr. Rashmi Kapoor being related to him may be considered as concerned or interested in the resolution.

The additional information with respect to the Company and the appointees is as under:

I. GENERAL INFORMATION:

- | | | |
|---|---|---|
| (i) Nature of Industry | : | Hospital and Diagnostic Services |
| (ii) Date or expected date of Commencement of Commercial Production | : | The Company is in operation. |
| (iii) In case of new Companies, Expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | : | - N.A- |
| (iv) Financial Performance based on the given indicators for the F.Y. ended 31.03.2013 | : | (Rs. in Lacs) |
| | | Turnover 7429.13 |
| | | Profit/Net (Loss) 329.05 |
| | | Net worth (excluding Revaluation reserve) 3135.92 |
| | | Book Value per Share 33.51 |
| | | (excluding revaluation reserve) |
| (v) Export performance and net Foreign exchange earnings | : | NIL |
| (vi) Foreign investment or collaboration, if any. | : | NIL |

II. INFORMATION ABOUT THE APPOINTEES:

Name	Background Detail	Previous Remuneration	Proposed Remuneration	Job Profile
Dr. Atul Kapoor	Age 56 Yrs. M.B.B.S, M.S Having 32 years of experience in Medical Science	Rs. 2,50,000/- p.m plus perquisites upto Rs. 6.00 Lacs p.a	Rs. 3,50,000/- p.m plus perquisites upto Rs. 12.00 Lacs p.a	Managerial [responsible for overall management of the affairs of the Company]
Dr. Rashmi Kapoor	Age 56 Yrs. M.B.B.S, M.D. Having 32 years of experience in Medical Science.	Rs.2,00,000/-p.m plus perquisites upto Rs. 6.00 Lacs p.a	Rs.3,50,000/-p.m plus perquisites upto Rs. 12.00 Lacs p.a	Managerial [responsible for Administrative and operational functions].

The details relating to comparative remuneration profile with respect to industry being unavailable hence not provided. The Board is of the view that the proposed remuneration is in line with the prevailing industry trends.

The Board is of the opinion that the aforesaid managerial personnel have requisite qualification, expertise and experience for the job they are holding. Except for receiving remuneration, none of the managerial personnel as aforesaid has any pecuniary relationship with the Company.

III. OTHER INFORMATION:

(i) Reasons for inadequate Profit:

The Company was incorporated in the year 1987 with the object of setting-up of Hospital for dispensation of multi-disciplinary medical services. Due to high incidence of interest and depreciation charges and on account of technology obsolescence, the operation of the Company has suffered. However the financial performance of the Company has improved.

(ii) Steps taken or proposed to be taken for improvement:

The Company has made a turnaround resulting in Net Profit of Rs. 329.05 lacs during the financial year ended 31st March, 2013. In addition, the Management proposes to undertake the number of measures which inter-alia include the expansion of existing bed capacity, addition of newer medical facilities, installation of latest diagnostic equipment which are expected to improve the financial performance of the Company.

(iii) Expected increase in productivity and Profits in measurable terms:

It is only because of tremendous efforts put in by the Managing Director and the Whole-time Director that the financial performance of the Company has improved as reflected in the financial performance of the Company for the financial year ended 31st March, 2013. The expected increase in productivity in measurable term being indeterminable cannot be quantified.

IV. DISCLOSURES:

The Shareholders of the Company are duly informed of the remuneration package of Managerial Personnel and disclosures in this regard will be made in the Report of Corporate Governance under Clause 49 of the Listing Agreement.

Dr. Atul Kapoor and Dr. Rashmi Kapoor, are interested in the resolutions placed at Item No. 4 and 5 in resolution as concerning their appointment.

The resolutions alongwith the accompanying explanatory may be treated as an abstract of the terms of appointment of Managing Director and Whole-Time Director.

Item No. 6:

The company has embarked upon a major expansion program envisaging setting up of newer facilities besides expansion of existing capacity. With a view to empower the Board of Directors of the Company to raise additional resources to match the business plans and for the purpose of providing security by creation of charge and / mortgage on the movable / immovable assets / properties and undertaking(s) of the Company, it is proposed to have enabling approval from the members for the creation of security on the Assets of the Company upto an amount not exceeding Rs. 125.00 Crores (Rupees One Hundred Twenty Five Crores Only) in terms of the provisions of Section 293 (1) (a) of the Companies Act, 1956. The Board recommends the proposed resolution for acceptance by the Members.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

Item No. 7:

Pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956 the Board of Directors of the Company cannot except with the consent of the Company in General Meeting, borrow moneys, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business in excess of the Paid-up Share Capital and free reserves of the Company that is to say reserves not set apart for any specific purpose.

Keeping in view the existing and future plans of the Company, it has been considered desirable to obtain the members approval for a revised amount not exceeding Rs. 125.00 Crores (Rupees One Hundred Twenty Five Crores only) at any point of time. The Directors recommend the proposed resolution for acceptance by the Members.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

Registered Office:

A-2, Sarvodaya Nagar,
Kanpur-208005

Kanpur, 30th May, 2013

By Order of the Board

(KAMINI GUPTA)
Company Secretary



DIRECTORS' REPORT

To,
The Members of
REGENCY HOSPITAL LIMITED

Your Directors have pleasure in presenting herewith the Twenty Fourth Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Rs. in Lacs)

PARTICULARS	For the Year ended 31 st March, 2013	For the Year ended 31 st March, 2012
Total Income	7499.57	5760.25
Profit/(Loss) before Interest, Depreciation, Taxation and Extra Ordinary item	1399.89	1109.11
Less : Depreciation	468.24	391.99
Less: Finance Charges	451.34	328.55
Profit before Taxation and Extra ordinary Item	480.31	388.57
Less/(Add) : Provision for Taxation :		
Less : Provision for Tax	96.10	77.74
Less : Deferred Tax (Assets)/ Liability	134.24	125.81
Add : Mat Credit Entitlement	79.08	77.74
Profit After Tax	329.05	262.76
Add : Balance brought forward from previous year	583.90	821.14
Less : Transfer to General Reserve	—	500.00
Balance Carried forward to Balance Sheet	912.95	583.90

COMPANY PERFORMANCE

The total income for the financial year under review is Rs. 7499.57 Lacs as compared to Rs. 5760.25 Lacs in the previous financial year registering a growth of 30.20%. The Profit before tax excluding extra-ordinary item was Rs. 480.31 Lacs and Profit after tax of Rs. 329.05 Lacs for the financial year under review as against Rs. 388.57 Lacs and Rs. 262.76 Lacs respectively for the previous financial year. During the year company has treated 16057 indoor patients in compare to 12953 indoor patients in 2011-12. A detailed analysis of performance for the year has been included in the Management Discussion and Analysis, which forms part of the Annual Report.

GROWTH STRATEGY

The Company will set up two satellites Dialysis centres in next 12 months at Kanpur. The company has entered into joint venture with a German Company to set up 30 Dialysis Centres PAN UP, Uttarakhand and Bihar. These Centres will be set up in Joint

venture with a German Company which is already in the line of manufacturing of Dialysis machines and consumables used in Dialysis. The Company has also entered into Memorandum of Understanding with Healthcare Global Enterprises Limited, Bangalore to set up a state of art for the comprehensive oncology hospital with high end of LINAC, HDR, PET CT, two (2) major OT rooms and other allied facilities at A-4, Sarvodaya Nagar, Kanpur. The credit facility for setting up the comprehensive oncology hospital has already been sanctioned by Bank of Baroda. We expect that hospital will be in operation from April, 2015.

DIVIDEND

Keeping in view the requirement of resources for up-gradation of the hospital facilities, it is proposed to skip the payment of dividend.

DIRECTORS

In terms of the provisions of Section 256 of the Companies Act, 1956, read with Articles of Association of the Company, Mr. R. L. Srivastava, Director retires from Board by rotation and is eligible for re-appointment.

AUDITORS

M/s Jain Dhingra & Associates, Chartered Accountants, Kanpur, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956. The observations of Auditors in their Report read with notes to the Accounts are self explanatory and do not call for any further explanation.

STATUTORY INFORMATION

A. PARTICULARS OF EMPLOYEES

As none of the Employees of the Company was in receipt of remuneration in excess of the limits prescribed, particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended are not required to be given.

B. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Although operations of the Company are not energy intensive, steps are being taken to conserve energy in all possible areas. As the Company is engaged in the business of dispensation of Medical services, particulars relating to Conservation of Energy in the prescribed format and Technology Absorption as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 being inapplicable are not given. There have been no earnings expenditure in foreign exchange during the year under review.

C. CORPORATE GOVERNANCE

Pursuant to Clause 49 (VII) of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance forms part of the Directors' Report in the Annual Report. Your Company has been complying with the requirements of the Listing Agreement and necessary disclosures have been made in this regard in the Corporate Governance Report.

A certificate from the Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

D. CORPORATE SOCIAL RESPONSIBILITY

During the year, your Company continued its commitment towards social development by supporting the School for mentally challenged children running as 'Amrita' and also undertaking many new initiatives. We are committed to the



well-being of not just our patients, but society at large. We have also joined the hands with SMILE TRAIN to treat the children having problem by birth in their lips and provide healthcare measures to the economically backward class.

E. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

F. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act") and based on the representations received from the operating management, the Directors hereby confirm that :-

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2013, the applicable Accounting Standards have been followed and there are no material departures;
- b) they have selected such Accounting policies and applied them consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2013 and of the Profits of the Company for the year ended on that date;
- c) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate Accounting Records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their sincere thanks to the Banks and various Government Authorities for the support and co-operation extended to the Company and place on record their appreciation for the sincere and devoted services rendered by all employees of the Company at all levels. Your Directors are especially grateful to the Shareholders for reposing their trust and confidence in the Company.

For and on behalf of the Board

(R. L. Srivastava)
Chairman

Kanpur, 30th May, 2013

MANAGEMENT DISCUSSION ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is a growing economy and rapid growth has brought about many changes in the lifestyle and disease pattern. The Indian Healthcare Industry has vastly improved over the last decade but still remains inadequate on most parameters. The health care economy is generally resilient and is not impacted by recessions. Even though the world economy is weak, the health care industry has remained largely insulated.

The Company manages within a strategic framework aimed at achieving sustainable growth. To accomplish this, the Company's management operates the business consistent with certain strategic principles that have proven successful over time. To this end, the Company participates in growth areas in human health care and is committed to attaining leadership positions in these growth areas through the development of high quality, innovative products and services.

HEALTH INSURANCE

There is a tremendous scope for growth in the health insurance sector. As the penetration of health insurance increases, healthcare is likely to become more affordable for a larger percentage of the population, as a result the hospitalization rates are expected to increase. Health insurance is well established in many countries, but in India it remains an untapped market. Less than 15% of India's population is covered through health insurance. Over 80% of health financing is through private financing, much of which is out of pocket payments and employer funding. Given the demand scenario and need for health financing, health insurance has a wider scope in the present day situation in India. There are over 30 health insurance products in the category offered by both life and non-life insurers. The introduction of health insurance portability has offered more convenience to customers and has enhanced competition in the industry. It is likely that consumers can now expect a slew of innovative health insurance plans as insurers compete to attract and retain customers.

HEALTHCARE AND IT

Hospitals have realised that information technology (IT) can be an effective tool towards efficient systems. The growth of investment in the computer systems of hospital has increased. The ultimate objective is to build a network of interdependent centers such as a clinical laboratory, radiology department and so on in order to effectively meet the needs arising within the hospital. All this is achieved through Hospital Information Systems (HIS) that have formed the cornerstone of today's modern hospital. A Hospital Information System (HIS) can be defined as the computerized system that is designed to meet all the information within the hospital. This includes diverse data such as the patient information, billing, finance, accounting, staffing and pharmacy requisition, prescription handling, supplies, inventory, maintenance orders, management, diagnostic reports, radiology and patient monitoring as well as providing decision support.

OPPORTUNITIES AND FUTURE PROSPECTS

The health care sector in India is poised for rapid growth in the medium term. The Hospital has received NABL and NABH (National Accreditation Board for Hospitals and Healthcare Providers) accreditation certification. Our domain expertise coupled with the state of the art equipments and the quality of services has made the Hospital a leader. The demand for treatment from the domestic front is encouraging and continues to be robust. A combination of demographic and economic factors is going to impact health care industry in India. Increase in population, shift in demographics, rise in disposable income, increase in incidence of lifestyle related diseases, rising literacy are the few drivers that propels the growth of health care industry.

SWOT ANALYSIS

STRENGTH:

Medical Tourism is a highly growing sector in India and is expected to experience an annual growth rate of 30%. Medical tourism is one of the foremost external drivers that fuel the growth of health care industry. The state of the art medical equipments, reputed health care professionals, quality nursing facilities, best in class treatment, low cost treatment etc. attracts foreign patients to look for treatment in India.



Strong demand for hospital services in tier 2 and 3 cities is bound to fuel the growth of the health care sector in India. In recent years there have been considerable investments from domestic players, financial investors as well as private equity firms in the corporate health care sector.

Our consultant doctors provide them the professional comfort and freedom to deliver optimal performance. Many of the doctors associated with us are prominent within the medical field having received accolades and awards which furthers the attractiveness of our network. We are also among the leading private healthcare services employers in Uttar Pradesh. Our management team comprises senior professionals with abundant expertise and knowhow. A good mix of doctors with both clinical and administrative experience and functional professionals has enabled the company to repeatedly balance the multiple objectives of delivering best-in-class patient care, technology adoption, adherence to high standards of clinical excellence, value optimization and focus on key specialties while growing in a steady and calibrated manner. Regency has consistently believed in leveraging technology to raise the bar on clinical standards and treatment quality.

We have designed several internal systems to monitor and ensure that all facilities match up to and, in some cases, surpass the best healthcare standards. We have developed a distributed access model to comprehensively serve the healthcare needs of patients in their local communities through our network of multi-specialty hospitals and primary clinics. This gives us several touch points across the healthcare delivery chain which translates into a greater number of patient referrals thereby driving higher volumes. Further, the multiple revenue streams are synergistic in nature and complement each other in terms of seasonality and capital efficiency which results in a combined business model which is better balanced.

WEAKNESS

The hospitals sector is highly capital-intensive due to the high per bed costs. This includes costs of licenses & approvals, construction costs, interiors and costs of machines and equipment. Apart from maintenance costs for high end equipment, hospitals also need to bear replacement costs as these become obsolete. Hospitals are also highly skilled manpower intensive. Skilled manpower includes doctors, nurses and para-medical staff comprising lab technicians, radiographers and therapists. All of this ensures that the basic cost of setting up and running a hospital is high which escalates breakeven levels and stretches viability.

Top quality doctors and medical personnel are a finite resource and these professionals enjoy abundant opportunities in the form of entrepreneurial ventures, independent practice as well as competing offers from other service providers in India and abroad. Our continued performance and growth substantially depends on our ability to attract and retain the best medical talent. On the other hand, there is significant capital outlay on land, building and medical equipment at the time of setting up a hospital. Subsequently, operating costs can also be significant. An inability to scale up occupancy in new facilities could adversely affect our operating efficiencies and our profitability. Further, we use sophisticated and expensive medical equipment in our hospitals to provide our services. The healthcare services industry is characterized by frequent product improvements and evolving technology, which could, at times, lead to sudden redundancy of medical equipment and result in asset impairment charges. Rapid obsolescence also has the effect of diluting capital efficiency.

OPPORTUNITIES:

Due to the deficiency in healthcare infrastructure in India there are several regions within the country where patients have to make do with the facilities offered to them for lack of meaningful choices. Despite the ability and the willingness to pay for good quality healthcare services these patients opt for moderate or sub-standard facilities as these are within reach. These catchment areas can present good opportunities for reputed healthcare service providers who are able to establish their facilities in such regions. India is the second largest populated country in the world and is expected to see its population expand from 1.2 billion people currently to 1.5 billion people in 2015. Further, with increasing longevity the number of middle-aged and elderly people is expected to multiply. This will result in an increase in the absolute numbers of persons requiring medical care and is expected to grow demand for all kinds of healthcare services, manifold. With increasing disposable incomes and health awareness, there is a growing demand for elective or planned surgeries. Patients are now willing to spend money to get ailments treated which are not life threatening but are constraints to optimal health. Hence, such procedures are discretionary rather than necessary.

THREATS

As the healthcare industry has been performing well and delivering healthy growth and returns there has been an increase in its attractiveness on a relative basis. There has been a rise in the number of corporate groups foraying into healthcare through green field facilities, JVs and acquisitions. There are pockets of over-capacity in some metros. Having invested significant funds

into these ventures, there is a chance that some of these players may resort to unsustainable pricing in order to capture market share. The emergence of several domestic hospital chains combined with the entry of international players will lead to an increasing number of competitors chasing finite resources such as land, quality medical professionals and potential acquisition targets. While supply of resources may improve gradually, demand growth is likely to be rapid resulting in increased costs of these resources. In order to continue to grow our operations we need to identify and acquire resources at reasonable rates. Any failure to do so may result in inability to suitably grow and expand our operations. Further, increases in operating costs can result in a negative impact on the Company's results of operations and financial condition.

Further, inflation rates in India have been high in recent years and high inflation is expected to continue for some time. There is also upward pressure on other costs such as transportation, supplies, equipment and other expenses, and an inability to manage costs or pass increased costs onto patients will lead to compressed returns.

COMPANY OVERVIEW

Regency Hospital is a listed company on the BSE. We are a leading private healthcare services provider in Uttar Pradesh offering comprehensive end-to-end healthcare services. Our primary line of business is the provision of healthcare services, through hospitals, pharmacies, consultancy services, and primary clinics. In addition, we provide health insurance services and conduct education and training programs. We have continuously invested in beds and have increased the bed capacity under our management from 115 operational beds at the commencement of our hospital services business in 1995 we have now 300 beds including a 75 beds Renal Science Centre in the heart of city which is operational from September, 2012.

Our healthcare facilities comprise a mix of primary, secondary and tertiary care facilities. Our tertiary care hospitals provide advanced levels of care in over 50 specialties, including cardiac sciences, oncology, neurosciences, critical care, orthopedics, radiology, gastroenterology, and transplants. In addition, we have an increasing focus on technology based treatment areas such as minimally invasive surgery. We constantly seek to be in the forefront of the healthcare services industry by providing new services and introducing specialized healthcare models.

HOSPITALS:

As of 31st March, 2013 we had a capacity of 300 beds in 2 hospitals located in Uttar Pradesh (Kanpur).

	31.03.2013	31.03.2012
Number of owned hospitals at end of the period	2	2
Number of owned beds at end of the period	300	225
Number of operating beds at end of the period	275	200
In-patient discharges	16384	13004
Average length of stay (days)	3.17	3.12
Bed occupancy rate (%)	76.19	80.38
Average revenue per occupied bed per day	9462.83	8594.16

DISCUSSION ON FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

The following table present summaries of results of operations for the years ended 31st March, 2013 and 2012:

(Rs. In Lacs)

	31.03.2013	31.03.2012
Operating Revenues	7429.13	5710.25
Add: Other Income	70.44	50.00
Total Income	7499.57	5760.25
Operative Expenses	1846.83	1228.58
Salaries and Benefits	1208.20	846.86
Administration & Other Expenses	3044.65	2575.70
Financial Expenses	451.34	328.55
Depreciation and Amortization	468.24	391.99
Total Expenses	7019.26	5371.68



Profit before Income Tax	480.31	388.57
Tax Expense	151.26	125.81
Profit after Tax	329.05	262.76

RESULTS OF OPERATIONS

The tertiary and Super -Specialty healthcare services of your Company recorded double digit growth over the previous year.

Your Company has taken the initiative to expand its presence in the Super Specialty business to widen its footprint in PAN UP. Your Company's endeavor in dialysis to bring the latest break through / innovative products to enhance patient care is well acknowledged by the nephrologists.

Your company's marketing initiative continued the excellent pace of growth and rapidly expanded to many new areas of state.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company believe that its internal control systems and procedures are commensurate with the size and provides, among others, a reasonable assurance that the transactions are executed with Management authorization and ensure preparation of financial statements are prepared in conformity with established accounting principles and that the assets of the Company are adequately safeguarded against significant misuse or losses.

The Internal Audit function of the Company is outsourced to professional auditing firms and the extensive program of internal Audits is simultaneous supplemented by periodical management reviews and a tight budgetary control mechanism. The Company has also put in place an extensive budgetary control review mechanism where the management regularly reviews actual performance with reference to the budgets and forecasts.

HUMAN RESOURCES

In a people driven service industry like healthcare, we ensure that we deliver care and attention to patients. The company truly believes in investing in people and has undertaken several initiatives in the development of leadership skills and education for further strengthening our leadership.

We value patient satisfaction enormously and realize that the skill and service of trained manpower are crucial for maintenance of the trust reposed in us as a quality healthcare provider from our patients. Thus attrition of trained human capital can pose a challenge to successful healthcare delivery to our patients and needs to be tackled systematically. We have devised an effective recruitment and human resources management process to prevent attrition and we have largely been successful in attracting and retaining talent. We have been taking many steps to assist the team to excel at its best. Offering congenial environment, creating personal growth opportunities, providing technical and soft skills training to enhance their capabilities etc are some of the initiatives which have resulted in higher efficiencies and excellent employee satisfaction.

The Company has been involved in reversing the brain drain of talented doctors in the state of Uttar Pradesh by providing them level playing field and has built quality education infrastructure which includes Nursing colleges, Courses for Allied Health professionals and Hospital Management programs so as to meet the challenge of aligning Medical education to the healthcare needs of tomorrow. Annual increase is sanctioned based on the individual performance ratings on Key Result Areas and Competencies. Periodical wages surveys are conducted to remain competitive in the healthcare sector.

CAUTIONARY STATEMENT

Statements in this Management Discussion Analysis Report describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied due to change in healthcare policy of the country.

CORPORATE GOVERNANCE REPORT

Corporate Governance Philosophy:

Effective Corporate Governance practices constitute the strong foundations on which successful commercial enterprises are built to last. The Company believes that sound corporate governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met with integrity. The Company has established systems and procedures to ensure that its board of directors is well informed and well equipped to fulfill its overall responsibilities and to provide management with strategic direction needed to create long term Shareholders value.

The Company has strong legacy of fair, transparent and ethical governance practices. The Company will continue to focus its resources, strengths and strategies to achieve its vision. This objective extends not merely to comply with statutory requirements but also to go beyond them by putting into place, procedures and systems, which are in accordance with the best practices of governance. Good Corporate Governance apart from other things ensured application of best management practices, compliance of Law in true letter, spirit, and adherence to ethical standards and discharge of social responsibility for sustainable development and growth of all Shareholders.

I. Board of Directors:

a) Composition of the Board:

The Company's Board comprises of Five Directors. The Board comprises of Executive and Non Executive Directors and meets the requirement of the Code of Corporate Governance. The Board is headed by Non Executive and Independent Chairman, Mr. R. L. Srivastava. Except Managing Director and Whole time Director, all others are Independent Directors. Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry.

b) Board Meetings/ Director's Particulars:

The Board of Directors of the Company has a healthy blend of executive and non-executive directors, consequently ensures the desired level of independence in functioning and decision-making.

All the Non-Executive Directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

The Board meets at regular intervals and in addition to review of operations, formulates Corporate policies and sets up goals. The Agenda and the relevant papers are circulated for consideration to the Directors at least a week in advance. Directors are free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman. Adequate information is circulated as part of the board papers and is also made available at the Board meeting to enable the Board to take decisions.

The table below provides the details of composition and category of Directors, their attendance at the Board Meeting and the number of other Directorship [other than the Company] and Chairmanship / Membership in Board Committees of Public Limited Companies.



Name of Director	Category	No. of Directorships held	Member (Chairman of Board Committee)	No. of Memberships in Board Committee
Mr. R. L. Srivastava	Chairman and Independent	1	----	----
Dr. Atul Kapoor	Managing Director	1	----	----
Dr. Rashmi Kapoor	Whole time Director	----	----	----
Mr. Anil Kumar Khemka	Non Executive and Independent	1	----	----
Dr. Shyam Swarup Agarwal	Non Executive and Independent	----	----	----

Excluding Private, Foreign and Companies registered U/s 25 of the Companies Act, 1956. There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

c) Details of Board Meetings and Attendance:

During the Financial period from 1st April, 2012 to 31st March, 2013, Nine Board Meetings were held on the following date(s) 02nd April, 2012, 15th May, 2012, 19th May, 2012, 12th July, 2012, 14th August, 2012, 03rd November, 2012, 18th January, 2013, 15th February, 2013 and 25th March, 2013.

Attendance of Directors at Board Meetings and at the Annual General Meeting (AGM):

Name of Director	No. of Board Meeting held during the year	No. of Board Meeting Attended	Whether Attended the AGM - Yes/No
Mr. R. L. Srivastava	09	01	No
Dr. Atul Kapoor	09	09	Yes
Dr. Rashmi Kapoor	09	09	Yes
Mr. Anil Kumar Khemka	09	09	Yes
Dr. Shyam Swarup Agarwal	09	04	No

Committees of the Board:

The Company has three Board Level Committees, namely

- A) Audit Committees
- B) Remuneration / Compensation Committee
- C) *Share Transfer & Transmission Cum Investors' Grievance Committee*

II. Audit Committee:

a) Composition of the Audit Committee and Attendance of Members

The Audit Committee of the Company comprises of following Directors as Members of the Committee:

Mr. Anil Kumar Khemka	-	Chairman (having financial background)
Shri R.L. Srivastava	-	Member
Dr. Atul Kapoor	-	Member
Dr. Shyam Swarup Agarwal	-	Member

The Committee comprises of eminent professionals with expert knowledge in corporate finance. The Minutes of each Audit Committee meeting are placed before and discussed by the Board of Directors of the Company.

- b) The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at the meetings. The Company Secretary acts as the Secretary to the Audit Committee.
- c) The previous Annual General Meeting of the Company was held on 29th September, 2012 and was attended by Mr. Anil Kumar Khemka, Chairman of the Audit Committee.
- d) Meetings of Audit Committee:

The Company had constituted an Audit Committee in the year 2001, which was reconstituted on 11th September, 2008 and 24th March, 2009. During the period from 1st April, 2012 to 31st March, 2013, Four Meetings of the Audit Committee were held on the following date(s): 15th May, 2012, 14th August, 2012, 03rd November, 2012, and 15th February, 2013. Attendance record of the Members of the Audit Committee is as under:

Name of the Member / Director	Designation	No. of Meetings held	No. of Meetings Attended
Shri Anil Khemka	Chairman	04	04
Shri R.L. Srivastava	Member	04	01
Dr. Atul Kapoor	Member	04	04
Dr. Shyam Swarup Agarwal	Member	04	04

e) Terms of Reference

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee broadly are as under:

- Oversight of the Company's financial reporting process.
- To establish accounting policies and practices in consultation with Management and Auditors.
- Reviewing with the Management, the financial results before placing them to the Board with a special emphasis on accounting policies and practices, internal controls, compliance with the accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the audit and compliance function, including their policies, procedures, techniques and other regulatory requirements with the statutory auditors.
- To disclose financial information which is true, fair and objective?
- To establish appropriate internal controls and review the same with Management and Auditors.
- To recommend appointment / change of external auditors, audit fees and approve payment for other services.
- To meet Auditors regularly prior to commencement of audit to establish scope of audit.
- Reviewing internal audit functions, continuously, monitor and rectify any irregularities discovered in internal audit and report the same to the Board.
- Reviewing the financial and risk management policies.
- Reviewing management discussion and analysis of the financial condition and results of operations.



- Reviewing significant related party transactions.
- To review quarterly results and annual results with Auditors and place the same before the Board.
- Reviewing appointment, removal and terms of remuneration of Internal Auditors.

The Company continued to derive benefit from the deliberations of the Audit Committee Meetings. It ensures accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

III. REMUNERATION / COMPENSATION COMMITTEE:

The Company had constituted a Remuneration Committee in the Year – 2003 which was lastly re-constituted on 24th March, 2009.

Composition of the Committee:

The Remuneration/ Compensation Committee comprises of the following Directors as Members;

Shri R.L.Srivastava,	Chairman
Mr. Anil Kumar Khemka,	Member
Dr. Shyam Swarup Agarwal	Member

a) Meetings of the Remuneration Committee

No Meeting of the Remuneration Committee was held during the year from 1st April, 2012 to 31st March, 2013.

REMUNERATION OF DIRECTORS:

Following are the details of Director's remuneration for period from 1st April, 2012 to 31st March, 2013.

Executive Directors:

Name of Director	Salary (Rs.)	Commission (Rs.)	Service Contract (Tenure)	Stock option with details if any
Dr. Atul Kapoor (Managing Director)	30,00,000	-	Upto 31.08.2013	Nil
Dr. Rashmi Kapoor (Whole-time Director)	24,00,000	-	Upto 31.08.2013	Nil

Non-Executive Directors:

Name of Director	Sitting Fees (Rs.)	Commission (Rs.)	No. of shares held as on March 31, 2013
Shri R.L.Srivastava	6,500	---	---
Shri Anil Kumar Khemka	46,000	---	---
Dr. Shyam Swarup Agarwal	26,000	---	---

b) Terms of Reference

The broad terms of reference of the Committee are to recommend to the Board;

- To approve the annual remuneration plan of the Company;

- To approve the remuneration and commission/incentive payable to the Managing Director and Whole Time Director for each financial year;
- To finalise the perquisites package within the overall ceiling fixed by the Board;
- Sitting fees and commission paid/to be paid to Non- Executive Directors is in pursuance of the resolution passed by the Board/ Shareholders.

IV. SHARE TRANSFER & TRANSMISSION CUM INVESTORS' GRIEVANCE COMMITTEE:

- a) The Company had constituted a Share Transfer & Transmission cum Investors' Grievance Committee in the year 2001 which was lastly reconstituted on 24th March, 2009. The Committee comprises of an Independent Director as Chairman, a Non-Executive Director and the Managing Director.
- b) The Committee is empowered to oversee the redressal of Investors' complaints pertaining to share transfers, non-receipt of Annual Reports, interest / dividend payments, issue of duplicate certificates, transmission of shares and other miscellaneous complaints. During the year under review, Twelve Share Transfer & Transmission cum Investors' Grievance Committee Meetings were held on 30th April, 2012, 31st May, 2012, 30th June, 2012, 31st July, 2012, 31st August, 2012, 29th September, 2012, 31st October, 2012, 30th November, 2012, 31st December, 2012, 31st January, 2013, 28th February, 2013, and 31st March, 2013.

c) **Composition and Attendance of the Committee:**

The Composition of the Share Transfer & Transmission cum Investors' Grievance Committee and attendance at its Meetings is given hereunder:-

Name of the Member / Director	Designation	No. of Meetings held	No. of Meetings Attended
Mr. Anil Kumar Khemka	Chairman	12	12
Dr. Atul Kapoor	Member	12	12
Dr. Rashmi Kapoor	Member	12	12
Dr. Shyam Swarup Agarwal	Member	12	----

d) **Details of investor complaints received and redressed during the year 2012-13 are as follows:**

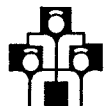
Opening Balance	Received during the year	Resolved during the year	Closing Balance
--	06	06	---

e) **Terms of reference:**

Share Transfer & Transmission cum Investors' Grievance Committee primarily focuses on redressal of complaints received by the Company from the shareholders and investors. The Company Secretary acts as the Secretary to the Committee, who is designated as Compliance Officer pursuant to clause 47(a) of the listing Agreement with the Stock Exchanges.

V. GENERAL BODY MEETINGS

Location, date and time of the Annual General Meetings of the Company held during the preceding three years and Special resolution passed thereat are as follows :



Financial Year	Date	Time	Venue	Special Resolution Passed
21st Annual General Meeting (2009-2010)	18th September, 2010	10.00 A.M.	A-2, Sarvodaya Nagar, Kanpur	None
22nd Annual General Meeting (2010-2011)	17th September, 2011	11.00 A.M.	A-2, Sarvodaya Nagar, Kanpur	Revision of Remuneration of Dr. Atul Kapoor as Managing Director of the Company under Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, for remainder term of his office and approved by the Remuneration Committee. Revision of Remuneration of Dr. Rashmi Kapoor as Whole-time Director of the Company under Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, for remainder term of his office and approved by the Remuneration Committee.
23rd Annual General Meeting (2011-2012)	29th September, 2012	11.00 A.M.	A-2, Sarvodaya Nagar, Kanpur.	Issue and allot of 10,48,000 Equity Shares (Ten Lacs Forty Eight Thousand only) on preferential basis to the Promoters of the Company pursuant to section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

● **Details of Extra Ordinary General Meetings (EGM):**

During the year 2012-2013, One Extraordinary General Meeting of the members of the Company was held on 28th April, 2012 to issue and allot 4,00,000 (Four Lacs), 11% Optionally Fully Convertible Debentures ('OFCDs') of the face value of Rs. 50/- each aggregating to Rs. 2,00,00,000/- (Rupees Two Crores only).

● **Postal Ballot**

No Special Resolution requiring Postal Ballot is proposed for the ensuing Annual General Meeting.

VI. DISCLOSURES:

- (a) **Disclosure on materially significant related party transactions i.e transactions of the Company of material nature, with its Promoters, the Directors and the Management, their relatives or subsidiaries, etc. that may have any potential conflict with the interest of the Company at large.**

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention is drawn to the disclosure of transactions with related parties set out in Note No. 31 of the Notes of Accounts attached with the financial statements for the year ended 31st March, 2013, forming part of the Annual Report.

All the related party transactions are negotiated on arms length basis and are intended to further the interest of the Company.

- (b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

VII. MEANS OF COMMUNICATION:

- **Quarterly Results :** Quarterly, half yearly and annual results of the Company are published in 'Swatantra Bharat' and 'Business Standard, Mumbai' and are displayed on the Company's website www.regencyhospital.in.
- **New Releases, Presentations etc :** Official news releases, detailed presentations made to media are displayed on the Company's website.
- **Website :** The Company's website www.regencyhospital.in contains a separate dedicated section 'Investor Relations' where shareholders information is available. The Annual Report of the Company is also available on the website in a user – friendly and download form.
- **Annual Report :** Annual Report containing inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto.
- **Chairman's Communiqué :** Printed copy of the Chairman's Speech is distributed to all the Shareholders at the Annual General Meetings.
- **Corporate Filing and Dissemination System (CFDS) :** The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE and NSE are filed electronically through the CFDS portal and hard copies of the said disclosures and correspondence are also filed with the Stock Exchanges.
- **BSE Corporate Compliance & Listing Centre (the "Listing Centre") :** The Listing Centre of BSE is a web based application designed by BSE filings like shareholding pattern, corporate governance report, media releases etc. are also filed electronically on the Listing Centre.
- **SEBI Complaints Redress System (SCORES) :** The investor complaints are processed in a centralised web based complaints redress system. The salient features of their system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned Companies and online viewing by investors of actions taken on the complaint and its current status.

Code of Conduct:

The Code of Business Conduct and Ethics for Directors and management personnel, as recommended by the Corporate Governance and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. This code is aimed to prevent any wrongdoing and to promote ethical conduct at Board and Senior Management level. A



copy of the Code has been put on the Company's website www.regencyhospital.in. The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually.

Management Discussion & Analysis Report:

Management Discussion and Analysis Report is set out in a separate section include in this Annual Report and forms part of this Report.

VIII. General Shareholders' Information :

● **Company Registration Details**

The Company is registered in the State of Uttar Pradesh, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L85110UP1987PLC008792.

● **Annual General Meeting**

Date and Time of 24th AGM	28th September, 2013 at 11:00 A.M.
Venue of 24th AGM	A-2, Sarvodaya Nagar, Kanpur
Financial Year	1st April, 2012 to 31st March, 2013
Book Closure	23rd September, 2013 to 28th September, 2013
Registered Office	A-2, Sarvodaya Nagar, Kanpur
Website Address	www.regencyhospital.in

● **Financial Calendar (tentative):**

Financial Year: 1st April, 2013 to 31st March, 2014

Results for the quarter ending:

30th June, 2013	Last week of July
30th September, 2013	Last week of October
31st December, 2013	Last week of January
31st March, 2014	Last week of April
Annual General Meeting	August, 2014

● **Listing of Equity Shares-**

The Equity shares of the Company are listed on the following Stock Exchanges:

Name and Address of the Stock Exchanges
Bombay Stock Exchange Limited (BSE) 1st Floor. P.J. Towers, Dalal Street, Mumbai - 400001
Uttar Pradesh Stock Exchange Association Limited (UPSE) Padam Towers, Civil Lines, Kanpur - 208001

● **Stock Code :**

Stock Exchange	Code
Bombay Stock Exchange Limited	526403
Uttar Pradesh Stock Exchange Association Ltd	RGNYMIS
ISIN number for Equity Shares	INE581K01010

● **Payment of Annual Listing Fees**

The Company has paid the annual listing fees for the financial year 2013-14 to all Stock Exchanges where its securities are listed.

● **Payment of Depository Fees:** Annual Custody/Issuer fee for the year 2013-14 has been paid by the Company to NSDL and CDSL.

● **Registrar and Share Transfer Agents:**

The Company had appointed Skyline Financial Services Private Limited as the Registrar and Share Transfer Agents to deal with all the matters relating to Transfer and Transmission of shares, redressal of Investors' grievances and all other Investors' related issues.

Skyline Financial Services (P) Ltd.

D-153/A, 1st Floor

Okhala Industrial Area, Phase -1,

New Delhi -110020

Contact No.: 011-26292680, 82, 83 & 84

Fax No.: 011-26292681

● **Transfer System for Physical Shares:**

Share Transfers would be registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to the Share Transfer Committee. A summary of transfer and transmission of securities of the Company so approved by the Committee is placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half -yearly certificate of compliance with transfer formalities as required under clause 47(c) of the Listing Agreement with Stock Exchanges.

● **Secretarial Audit:**

A Practicing Company Secretary carried out secretarial audit in each of the quarter in the financial year 2012-13, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit report confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares with depositories.

● **Dematerialisation of Shares and Liquidity:**

Sl. No.	Mode of Holding	%age
1.	NSDL	95.87%
2.	CDSL	0.61%
3.	Physical	3.52%
	Total	100%



96.48% of Company's paid up Equity Share Capital has been dematerialized upto 31st March, 2013 (96.44% as on 31st March, 2012). Trading in Equity Shares of the Company is permitted only in dematerialized form.

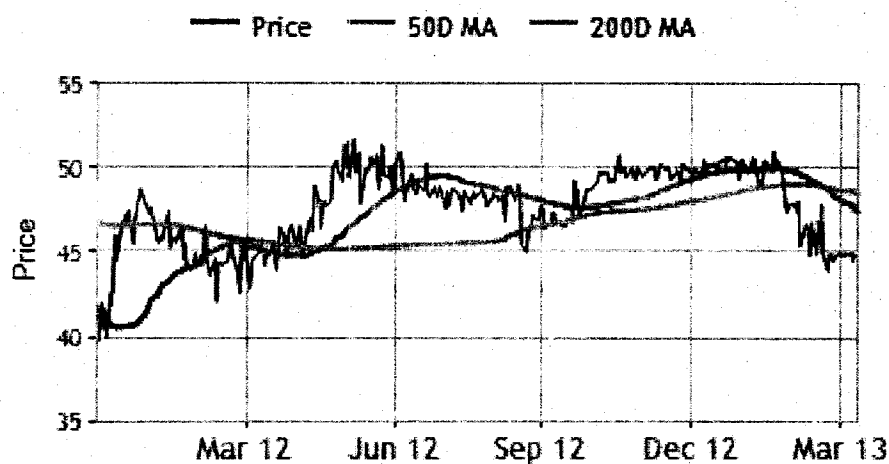
- **Market Stock Price:**

High, Low (based on closing prices) and number of shares traded during each month in the year 2012-13 on BSE Limited:

Month	Bombay Stock Exchange Limited		
	High	Low	Avg. Volume [in Nos.]
April, 2012	49.80	42.20	111431
May, 2012	54.00	43.00	146071
June, 2012	54.60	47.00	157255
July, 2012	57.80	39.10	263871
August, 2012	52.80	45.10	256241
September, 2012	56.00	41.05	157273
October, 2012	51.95	40.00	201425
November, 2012	51.00	47.10	186196
December, 2012	54.00	47.00	210715
January, 2013	53.90	41.75	243097
February, 2013	52.00	45.00	190849
March, 2013	49.00	43.00	98174

No trading recorded on the Uttar Pradesh Exchange Association Limited.

- **Performance of the share price of the Company in comparison to the BSE Sensex:**



● **Distribution of Shareholding as on 31st March, 2013**

No. of Equity Shares Held	No. of Shareholders	Nos. % of Total	Nos. of Shares Held	Shares Held % of Total
1-500	15737	99.56	244205	2.61
501-1000	18	0.11	14758	0.16
1001-2000	13	0.08	23288	0.25
2001-3000	4	0.03	10494	0.11
3001-4000	3	0.02	11308	0.12
4001-5000	3	0.02	15000	0.16
5001-10000	3	0.02	20131	0.22
10001 and above	26	0.16	9019484	96.38
TOTAL	15,807	100.00	93,58,668	100.00

● **Shareholding Pattern as on March 31, 2013**

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	Shareholding of Promoters and Promoter Group:			
(1)	Indian	12	66,55,460	71.12
(2)	Foreign	0	0	0.00
	Total Shareholding of Promoter and Promoter Group	12	66,55,460	71.12
(B)	Public Shareholding:			
(1)	Institutions	12	53320	0.57
(2)	Non Institutions	15,783	2649888	28.31
	Total Public Shareholding	15795	2703208	28.88
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0
	TOTAL (A)+(B)+(C)	15,807	93,58,668	100.00

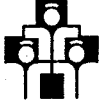
The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

Hospital Location : A-2, Sarvodaya Nagar, Kanpur – 208005.

Address for Correspondence:

Shareholders' correspondence should be addressed to the Company's Registrar and Share transfer Agent at the address mentioned above.

Shareholders may also contact Ms. Kamini Gupta, Company Secretary at the Registered Office of the Company for any



Regency Hospital Ltd.

assistance.

Tele. No. : (0512) – 2242201-10 Extn. – 358.

e-mail id : kaminigupta@regencyhospital.in

Investors can also send their complaints at investor@regencyhospital.in

Shareholders holding shares in the electronic mode should address all their correspondence to their respective depository participants.

Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct.

In accordance with clause 49 I (D) of the Listing Agreement with the stock exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the year ended on 31st March, 2013.

Kanpur, 30th May, 2013

Dr. Atul Kapoor
(Managing Director)

Auditors' Certificate on Corporate Governance

To

The Members of Regency Hospital Limited

We have examined the compliance of the conditions of Corporate Governance by Regency Hospital Limited, for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrars of the Company to the Investors Grievance Committee as on 31st March, 2013, there were no investor grievance against the Company remaining unattended/ pending for the more than 30 days.

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

For Jain Dhingra & Associates
(Chartered Accountant)
Firm Registration No. 000987C

R.N. Dhingra
Partner
Membership No. 15385

Kanpur, 30th May, 2013



CEO/CFO CERTIFICATION

The Board of Directors,
Regency Hospital Ltd.,
Kanpur.

Re: Financial Statements for the period ended 31st March, 2013

Certification by Managing Director and Chief Financial Officer

We, Dr. Atul Kapoor, Managing Director and Shri Santosh Kumar Gupta, Chief Financial Officer of Regency Hospital Limited, on the basis of the review of the Financial Statements and Cash Flow Statements for the period ended on 31st March, 2013 and to the best of our knowledge and belief, hereby certify that:-

1. These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, Applicable Laws and Regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31st March, 2013, which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee those deficiencies in the design or operation of such internal controls of which, we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee:
 - a) There have been no significant changes in internal control over financial reporting during this period.
 - b) There have been no significant changes in accounting policies during the period.
 - c) There have been no instances of significant fraud of which we have become aware and the involvements therein, of Management or an Employee having significant role in the Company's Internal Control Systems over financial reporting.

Kanpur, 30th May, 2013

(Dr. Atul Kapoor)
Managing Director

(Santosh K. Gupta)
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To

The Members of Regency Hospital Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **REGENCY HOSPITAL LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit & Loss Account and Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section



227 (4A) of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

2. As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- (d) In our opinion, the attached Balance Sheet, the Statement of the Profit & Loss Account and Cash Flow Statement dealt with by this report in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
- (e) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

For Jain Dhingra & Associates
Chartered Accountants
Firm Registration No.:000987C

R.N.Dhingra
Partner
Membership No. 15385

Kanpur, 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory requirements" of our report of even date)

- i. In respect of the Company's Fixed Assets :
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All fixed assets have been physically verified by the management in accordance with phased programme of verification adopted by the Company. In our opinion the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on such verification.
 - c. The Company has not disposed off its any substantial fixed assets during the year.
 - d. Based on our scrutiny of records of the Company and the information and explanations received by us, we report there was no sale of assets made during the financial year. Hence the question of reporting whether the sale of any substantial part of the fixed assets has affected the going concern of the Company does not arise.
 - ii. In respect of the Company's Inventories:
 - a. Inventories of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments have been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to explanations given to us, the procedures of physical verification of inventories of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments followed by the management 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 information and explanations given to us, and on the basis of our examination, the company is maintaining proper records of inventories. Further in our opinion and information and explanations given to us the discrepancies noticed on verification between the physical stock and the book records were not material and same have been properly dealt within the books of accounts.
 - iii. In respect of the loans, secured or unsecured, granted or taken by the Company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a. As informed, 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. Therefore, the provisions of sub-clauses (a) to (d) of clause 4(iii) of CARO are not applicable to the Company.
 - b. The Company has taken unsecured loans amounting to Rs. 549.47 Lacs from 7 parties, covered in the register maintained under section 301 of the Companies Act, 1956.
 - c. In our opinion, the rate of interest and other terms and conditions on which loan has been taken from parties listed in the Register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.
 - d. Such Loan is not due for repayment.
 - iv. In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of stores, medicines and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system of the Company.
-



- v. In respect of contracts or arrangements entered in the register maintained pursuant to Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to information and explanation given to us:
- a. The particulars of contracts or arrangements referred to in Section 301 that were needed to be entered in the Register maintained under the section have been so entered.
- b. In our opinion and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956, exceeding the value of Rupees Five lacs in respect of any party during the period have been made at prices, which are reasonable having regard to prevailing market prices at relevant time.
- vi. The Company has not accepted any deposits from the public. Hence, the provisions of Section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, do not apply to this Company.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. According to information and explanation provided by the management of the Company, is not engaged in production, processing, manufacturing or mining activities. Hence the provisions of clause (d) of sub section (1) of Section 209 of the Companies Act, 1956, do not apply to the Company. Hence in our opinion no comment on maintenance of cost records under section 209(1)(d) is required.
- ix. a) According to information and explanation given to us and on the basis of our examination of the Books of account, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs duty, Cess and other material statutory dues applicable to it. There was no undisputed amounts payable by the Company in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Service Tax were in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Wealth Tax, which have not been deposited with the appropriate authority on account of any dispute except following :-

Nature of the Statute	Nature of Due	Amount (Rs. in Lacs)	Amount Deposited (Rs. in Lacs)	Period to which the amount Relates	Forum where Dispute is pending
Custom Act, 1962	Custom Duty	38.45	19.23	1990-93	Appeal filed in Allahabad High Court

- x. The Company does not have any accumulated losses as at 31st March, 2013 and not incurred cash losses during the financial year and during the immediately preceding financial period.
- xi. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial Institutions or banks.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion the Company is not Chit Fund or a Nidhi / Mutual benefit fund / Society. Therefore the provision of clause 4 (xiii) of the order (as amended) is not applicable to Company.

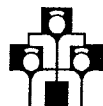
- xiv. In respect of dealing/trading in shares securities, debentures and other investments, in our opinion and according to information and explanation given to us, generally did not deal or trade in it. However on short term basis, surplus funds were invested in mutual funds for which proper records of transaction have been maintained by the company in its own name.
- xv. In our opinion and according to the information and explanations given to us, terms and conditions of the guarantee given by the Company for loan taken by Associate Company from banks during the years are not prime facie prejudicial to the interest of the company.
- xvi. On the basis of records examined by us and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the Cash flow statement and other records examined by us and the information and explanations given to us, on a overall basis, funds raised on short term basis have not been used during the year for long term investments.
- xviii. During the period, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has issued 11% Unsecured Fully Convertible Debentures to IFCI Venture Capital Funds Limited, during the years. The said debentures are unsecured and no charge or security is required to be created in respect of debentures issued.
- xx. During the year, the Company has not raised money by Public Issue. Hence, the question of disclosure and verification of end use of such monies does not arise.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Jain Dhingra & Associates
Chartered Accountants
Firm Registration No.:000987C

R.N.Dhingra
Partner

Kanpur, 30th May, 2013

Membership No.15385



BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	93,586,680	93,586,680
(b) Reserves and surplus	4	220,005,634	187,100,769
		313,592,314	280,687,449
Non-current liabilities			
(a) Long-term borrowings	5	442,272,513	352,174,839
(b) Deferred tax liabilities (Net)	6(a)	13,310,514	10,336,574
(c) Long-term provisions	7	5,331,000	4,269,000
Current liabilities			
(a) Short-term borrowings	8	112,503,191	112,221,285
(b) Trade payables		8,623,616	4,367,101
(c) Other current liabilities	9	56,004,964	63,231,923
(d) Short-term provisions	10	99,75,130	6,797,067
TOTAL		961,613,242	834,085,238
II. ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		671,478,722	390,600,866
(ii) Capital work-in-progress		11,451,480	194,739,364
(b) Non-current investments	12	9,099,990	9,099,990
(c) Deferred tax assets (net)	6(b)	2,210,944	12,661,700
(d) Long-term loans and advances	13	52,699,794	51,075,030
Current assets			
(a) Current investments	14	3,447,903	0
(b) Inventories	15	35,058,930	28,341,353
(c) Trade receivables	16	139,165,404	119,955,459
(d) Cash and cash equivalents	17	24,945,843	16,287,028
(e) Short-term loans and advances	18	9,952,101	9,015,129
(f) Other current assets	19	2,102,131	2,309,319
TOTAL		961,613,242.00	834,085,238
III. Notes Forming Part of the Financial Statements 1 to 40			

(As per our separate report of even date)

FOR Jain Dhingra & Associates

Chartered Accountants

Firm Registration No. 000987C

R.N.Dhingra

Partner

Membership No.15385

Kanpur, 30th May, 2013

For and on behalf of the Board

Dr.Atul Kapoor-Managing Director

Dr.Rashmi Kapoor-Whole time Director

Santosh K Gupta - CFO

Kamini Gupta-Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Particulars	Note	For the year ended 31st March, 2013	For the year ended 31st March, 2012
I	Gross Income			
	Revenue from operations	20	742,912,852	571,025,374
	Other Income	21	7,044,255	4,999,953
	Changes in inventories of Stock-in-Trade	22	3,292,138	4,680,789
	Total Revenue		753,249,245	580,706,116
II	Expenses:			
	Cost of materials consumed	23	53,660,584	34,658,281
	Purchase of Stock-in-Trade	24	134,314,831	92,880,764
	Employee benefit expense	25	120,819,535	84,685,758
	Financial costs	26	45,134,118	32,855,440
	Depreciation and Amortization expense	11	46,824,166	39,198,874
	Other expenses	27	304,464,922	257,570,179
	Total Expenses		705,218,156	541,849,296
III	Profit Before Tax		48,031,089	38,856,820
IV	Tax expense:			
	(a) Current tax(MAT)		9,609,940	7,774,382
	(b) Less : MAT Credit Entitlement		7,908,413	7,774,382
	(c) Net Current Tax		1,701,527	0
	(d) Deferred Tax		13,424,696	12,581,395
V	Profit for the year		32,904,866	26,275,425
VI	Earning per equity share:			
	(1) Basic	30	3.52	2.81
	(2) Diluted		3.52	2.81
VII	Notes Forming Part of the Financial Statements 1 to 40			

(As per our separate report of even date)
FOR Jain Dhingra & Associates
Chartered Accountants
Firm Registration No. 000987C

R.N.Dhingra
Partner
Membership No.15385

Kanpur, 30th May, 2013

For and on behalf of the Board

Dr.Atul Kapoor-Managing Director
Dr.Rashmi Kapoor-Whole time Director
Santosh K Gupta - CFO
Kamini Gupta-Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	For the year ended 31st March, 2013 (in Rs.)		For the year ended 31st March, 2012 (in Rs.)	
A CASH FLOW FROM OPERATING ACTIVITIES				
I Net profit before tax and extra ordinary items		48,031,089		38,856,820
Adjustment For :				
Depreciation		46,824,166		39,198,874
Interest & Financial Charges		45,134,118		32,855,440
Loss on Sale of Assets (Net)		0		111,946
MAT Credit		7,884,450		7,774,382
Operating Profit before Working Capital Changes		147,873,823		118,797,462
Adjustment For:				
Inventories		(6,717,577)		(6,571,943)
Trade Receivables		(19,209,945)		(44,374,840)
Long Term and Short Loans & Advances and other assets		(2,330,585)		(26,640,005)
Trade Payables other Liabilities and provisions		14,670,849		10,415,413
Cash Inflow from Operations		134,286,565		51,626,087
Interest Paid		45,134,118		32,855,440
Taxation		9,609,940		7,774,382
Net Cash flow from Operating Activities		79,542,507		10,996,265
II CASH FLOW FROM INVESTING ACTIVITIES:				
Sale of Fixed Assets	0		430,000	
Purchase of Fixed Assets	144,414,137		284,085,864	
Purchase of Investments	3,447,903	(147,862,040)	9,099,990	292,755,854
Net Cash used in Investing Activities		(147,862,040)		292,755,854
		(68,319,533)		(281,759,589)
III CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Term Loans	74,198,144		166,779,921	
Proceeds from Other Borrowings	2,780,204		123,603,902	
Net Cash from Financing Activities		76,978,348		290,383,823
Net Increase /(decrease) in Cash & Cash Equivalent		8,658,815		8,624,234
Cash & Cash Equivalent as at 01.04.2012		16,287,028		7,662,794
Less :Cash or Cash equivalent as at 31.03.2013		24,945,843		16,287,028
Net Increase /(decrease) in Cash & Cash Equivalent		8,658,815		8,624,234
IV Notes Forming Part of the Financial Statements 1 to 40				

(As per our report attached)
FOR Jain Dhingra & Associates
Chartered Accountants
Firm Registration No. 000987C

R.N.Dhingra
Partner
Membership No.15385

Kanpur, 30th May, 2013

For and on behalf of the Board

Dr.Atul Kapoor-Managing Director
Dr.Rashmi Kapoor-Whole time Director
Santosh K Gupta - CFO
Kamini Gupta-Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**1. Corporate Information:**

Regency Hospital Limited ("the Company") is a public listed Company which provide tertiary and secondary care medical services through its two hospitals and network of satellite clinics around Kanpur. The Company has its own Nursing College for educating the nurses for serving and providing services to the patients.

2. SIGNIFICANT ACCOUNTING POLICIES:**a) Basis of accounting and preparation of Financial Statements :**

The Financial statements/ accounts are prepared under historical cost convention on the "Accrual Concept" of accountancy and as going concern, in accordance with the accounting principles generally accepted in India and they comply with the Accounting Standards prescribed in the Companies [Accounting Standards] Rules, 2006 (as amended) issued by the Central Government to the extent applicable and with the applicable provisions of the Companies Act, 1956.

b) Use of Estimates:

The preparation of Financial Statement in conformity with the Accounting Standards generally accepted in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Inventories:

- i) The inventories of all medicines, medicare items traded and dealt with by the Company are valued at cost. Cost of these inventories comprises of all cost of purchase and other costs incurred in bringing the inventories to their present location after adjusting for VAT wherever applicable applying the FIFO Method.
- ii) Stocks of Provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realizable value is not applicable in absence of any further modification /alteration before being consumed in house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to present location after adjusting for VAT wherever applicable applying the FIFO Method.
- iii) Surgical instruments, linen, crockery and cutlery are valued at cost. The net realizable value is not applicable in absence of any further modification /alteration before being consumed in house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to present location after adjusting for VAT wherever applicable applying the FIFO Method.

d) Investments:

Investments comprise of investment in associate company in which the Company has strategic business interest. Long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature.

e) Prior Period items and Extra Ordinary items:

Prior Period items and Extra Ordinary Items are separately classified, identified and dealt with as required under



Accounting Standard 5 on "Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies" issued by the Institute of Chartered Accountants of India.

f) Fixed Assets:

All fixed assets are stated at cost of acquisition less accumulated depreciation and impairment of losses. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the assets. However, fixed assets, which are revalued by the Company, are stated at their revalued book values.

Capital work - in - progress comprises of and amounts expended on development/acquisition of Fixed Assets that are not yet ready for their intended use at the Balance Sheet Date. Expenditure during construction period directly attributable to the projects under implementation is included under Capital work-in-progress, pending allocation to the assets. Advances paid to acquire fixed assets have been included under long term loans and advances as per revised Schedule VI.

g) Depreciation:

Depreciation for the year has been provided on straight-line method as per Section 205 (2) (b) of the Companies, 1956 at the rates prescribed in Schedule XIV of the Companies Act, 1956, on pro-rata basis from the date of acquisition of assets till the date of transfer / sale of assets.

h) Transactions in Foreign Currencies :

(i) Monetary items relating to foreign currency transactions remaining unsettled at the end of the year are translated at the exchange rates prevailing at the date of Balance Sheet. The difference in translation of monetary items and the realized gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss in accordance with Accounting Standard 11 - 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)', as notified under the Companies (Accounting Standards) Rules, 2006.

(ii) Exchange differences arising on settlement or restatement of foreign currency denominated liabilities borrowed for the acquisition of Fixed Assets, are capitalised based on Para 46A of Accounting Standard 11 - 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)'.

i) Revenue Recognition:

(i) Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March, 2013.

(ii) Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and inclusive of VAT wherever applicable.

(iii) Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.

j) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition or constructions of qualifying assets are capitalized as part of such assets. As per Accounting Standard 16 'Borrowing costs', a qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are expensed as and when incurred.

k) Employee Benefits:

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which employees render service), and post employment benefits (benefits which are payable after completion of employment), are measured on a discounted basis by the Projected Unit Credit Method, on the basis of annual third party actuarial valuations.

Defined Contribution Plan

The Company makes contribution towards Provident Fund as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund Plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits.

Defined Benefit Plans

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

Gratuity

The Company makes provision of gratuity on the basis of annual third party actuarial valuations at the end of the accounting period.

Leave Encashment Benefits

The Company has a policy not to accumulate leave encashment benefits of the employees. The Company pays Leave Encashment Benefits to employees at end of each accounting period.

l) Segment Reporting :**(i) Identification of Segments**

The Company has complied with Accounting Standard 17 - 'Segment Reporting' with Business as the primary segment. The business segments are primarily healthcare and educational services. The Company operates in a single geographical segment, which is India, and the products sold in the pharmacies, are regulated under the Drug Control Act, which applies uniformly all over the Country. The risk and returns of the enterprise are very similar in different geographical areas within the Country and hence there is no reportable secondary segment as defined in Accounting Standard 17.

(ii) Segment Policies

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies for Segment Reporting:

- a. Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenues of the



segment and manpower efforts. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under 'unallocable expenses'.

- b. Assets and liabilities directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

The Company has disclosed this Segment Reporting in Financial Statements as per para (4) of Accounting Standard - 17- 'Segment Reporting'.

m) TAXATION:

i) Income Tax

Income taxes are accounted for in accordance with Accounting Standard 22 (AS 22) "Accounting for Taxes on Income". Tax expense comprises both Current Tax and Deferred Tax. Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

ii) Deferred Tax

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

n) Earning Per Share :

In determining the earning per share, the Company considers the net profit after tax before extraordinary item and after extraordinary items and includes post - tax effect of any extraordinary items. The number of shares used in computing the basic earning per share is the weighted average number of shares outstanding during the period. For computing diluted earning per share, potential equity shares are added to the above weighted average number of shares.

o) Operating Leases :

Assets taken on finance lease are accounted in accordance with the Accounting Standard-19 on Leases. Lease payments are apportioned between finance charges and reduction of outstanding liabilities.

p) Impairment of Assets :

In terms of the requirements of the Accounting Standard-28 on "Impairment of Assets" issued by ICAI, the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of

estimated future cash flows expected to arise from continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.

q) Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are disclosed in the Notes. Contingent Liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.



Notes to the Financial Statements

Note: 3 SHARE CAPITAL

PARTICULARS	As at 31st March, 2013 (in Rs)	As at 31st March, 2012 (in Rs)
Authorised 11,400,000 (Previous Year - 11,400,000) Equity Shares of Rs10/- each	114,000,000	114,000,000
Issued Subscribed & Fully Paid up 9,358,668 (Previous Year - 9,358,668) Equity Shares of Rs10/- each fully paid up	93,586,680	93,586,680
TOTAL	93,586,680	93,586,680

The Reconciliation of Number of Shares outstanding is set out below:

PARTICULARS	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount (in Rs.)	Number	Amount (in Rs.)
Equity Shares at the beginning of the year	9,358,668	93,586,680	9,358,668	93,586,680
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Equity Shares at the end of the year	9,358,668	93,586,680	9,358,668	93,586,680

Shareholders holding more than 5% of total paid up capital

Name of Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Dr Atul Kapoor	1,598,863	17.08	1,598,863	17.08
Atul Kapoor(HUF)	1,182,523	12.64	1,182,523	12.64
Dr Rashmi Kapoor	2,057,953	21.99	2,057,953	21.99
Asha Kapoor	656,666	7.02	656,666	7.02
Soni Kapoor	649,210	6.94	649,210	6.94

The Company has issued only one class of the shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amount, in proportion of the number of equity shares held by each shareholder.

Notes to the Financial Statements

Note : 4 Reserve and Surplus

PARTICULARS	As at 31st March, 2013 (in Rs)	As at 31st March, 2012 (in Rs)
a Capital Reserves	0	4,580,491
	0	4,580,491
b Securities Premium Account	9,971,000	9,971,000
	9,971,000	9,971,000
c General Reserve		
Opening Balance	114,159,609	64,159,609
Add: Transferred from statement of Profit & Loss	—	50,000,000
Add : Transferred from capital reserve	4,580,491	—
Closing Balance	118,740,100	114,159,609
d Surplus in Statement of Profit and loss		
Opening balance	58,389,669	82,114,244
Add: Net Profit for the current year	32,904,865	26,275,425
	91,294,534	108,389,669
Less: Appropriations		
Transfer to General Reserves	—	50,000,000
Closing Balance	91,294,534	58,389,669
Total	220,005,634	187,100,769

Note : 5 LONG TERM BORROWINGS

PARTICULARS	As at 31st March, 2013 (in Rs)	As at 31st March, 2012 (in Rs)
(a) Secured Loans		
(i) Term loans *	238,889,476	162,451,090
(ii) Foreign Buyer Credit from Bank#	47,435,792	36,274,802
	286,325,268	198,725,892
(b) Unsecured		
(i) Loans and advances from related parties	54,947,245	125,648,947
(ii) 11% Optionally Fully Convertible Debentures (4,00,000 @ Rs. 50/- each)**	20,000,000	—
(iii) Others	81,000,000	27,800,000
	155,947,245	153,448,947
Total	442,272,513	352,174,839

*(i) Term Loans from Banks are secured against movable and immovable fixed assets of the Company and personal guarantee of promoters directors.

(ii) Vehicles Loan from Kotak Mahindra Prime Limited and Bank of Baroda are secured against vehicle acquired under the scheme.

(iii) Terms of Repayment :

(a) Secured Loans from Banks are payable in quarterly / monthly installments upto 31st March, 2019.

(b) Rate of interest on Term Loans is fixed by bank which is base rate + 2.5% (Allahabad Bank), base rate + 2% (Bank of Baroda) and 16% - SIDBI.

(c) Vehicles Loans from Banks are repayable in equal monthly installments up to 31st March, 2017.

(d) Rate on interest on vehicle loans vary between 10% p.a. to 11% p.a.

#Foreign Buyer Credit from Bank are secured against movable and immovable fixed assets of the Company and personal guarantee of promoters/ directors and due for payment upto 30th June, 2014.

**The Debentures are convertible at the option of the holder at any time before 18 months into fully paid equity shares. The promoters may buy back the debentures at any time after the expiry of 12 months but before expiry of 17 months from the date of issue of such OFCDs i.e. 28th April, 2012.



Notes to the Financial Statements
Note : 6 DEFERRED TAX BALANCES

Particulars	Deferred Tax Liability as at 31st March, 2012 (in Rs.)	Current year charge /(credit) (in Rs.)	Deferred Tax Liability as at 31st March, 2013 (in Rs.)
(a) Deferred Tax Liabilities (Net)			
Depreciation and Amortisation	10,336,574	2,973,940	13,310,514
Total	10,336,574	2,973,940	13,310,514
(b) Deferred Tax Assets (Net)			
Depreciation and amortisation	11,163,996	(11,163,996)	-
Employee benefits	1,497,704	713,240	2,210,944
Total	12,661,700	(10,450,756)	2,210,944

Note:7 LONG TERM PROVISIONS

Particulars	As at 31st March, 2013 (in Rs)	As at 31st March, 2012 (in Rs)
Provision for employee benefits	5,331,000	4,269,000
Total	5,331,000	4,269,000
Provision for employee benefits includes provision for gratuity and other retirement benefits		

Note:8 SHORT TERM BORROWINGS

Particulars	As at 31st March, 2013 (in Rs)	As at 31st March, 2012 (in Rs)
Secured loans		
(a) Loans repayable on demand from Bank	112,503,191	112,221,285
Total	112,503,191	112,221,285
(Working Capital loans are secured by hypothecation of present and future stock of raw material, stock in progress, finished goods, stores, spares, book debts, outstanding monies, receivables, claims, bill and personal guarantee of Directors)		

Note:9 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2013 (in Rs)	As at 31st March, 2012 (in Rs)
a Current Maturities of Long term Debt	44,495,335	57,896,567
b Other payables	11,509,629	5,335,356
Total	56,004,964	63,231,923

Note:10 SHORT TERM PROVISIONS

Particulars	As at 31st March, 2013 (in Rs)	As at 31st March, 2012 (in Rs)
(a) Provision for employee benefits	9,975,130	5,808,494
(b) Others :		
Current Income Tax (Net)	—	988,573
Total	9,975,130	6,797,067

Notes to the Financial Statements

Note-11

Fixed Assets

Particulars	Gross Block			Depreciation			Net Block	
	As on 1.4.2012	Additions During the Year	As on 31.3.2013	As on 1.4.2012	During the Period	Total As On 31.03.2013	As On 31.03.2013	As On 31.03.2012
(i) TANGIBLE ASSETS:								
Free Hold Land	—	56,144,057	56,144,057	—	—	—	56,144,057	—
Lease Hold Land	37,878,160	8,675,462	46,553,622	111,237	—	111,237	46,442,385	37,766,923
Building	134,857,423	185,930,067	320,787,490	34,591,194	6,487,391	41,078,585	279,708,905	100,266,229
Plant & Machinery	531,307,965	52,218,771	583,526,736	310,895,907	35,563,561	346,459,468	237,067,268	220,412,058
Furnitures & Fixtures	12,818,341	10,640,135	23,458,476	5,604,399	1,144,323	6,748,722	16,709,754	7,213,942
Office Equipments	2,013,378	2,210,928	4,224,306	825,138	157,741	982,879	3,241,427	1,188,240
Electrical Equipments	18,635,443	7,938,754	26,574,197	4,033,373	1,082,966	5,116,339	21,457,858	14,602,070
Computer	6,306,054	1,644,944	7,950,998	5,884,592	1,152,301	7,036,893	914,105	421,462
Vehicles	11,861,968	2,298,904	14,160,872	3,132,026	1,235,883	4,367,909	9,792,963	8,729,942
Total	755,678,732	327,702,022	1,083,380,754	365,077,866	46,824,166	411,902,032	671,478,722	390,600,866
Previous Year	667,421,854	89,346,500	755,678,732	326,426,668	39,198,874	365,077,866	390,600,866	—
(ii) Capital Work in Progress	—	—	—	—	—	—	11,451,480	194,739,364

Additional Information:

1. Rupee liability has increased by Rs. 29.15 Lacs (Net) (2011-12 : Rs. 37.26 Lacs) arising out of realignment of the value of long foreign Buyer credit for procurement of fixed assets.
2. The increased cost has been adjusted in carrying cost of the respective fixed assets.



Notes to the Financial Statements

Note:12 NON CURRENT INVESTMENTS

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
A Trade Investments	—	—
B Other Investments(Unquoted) (b) Investment in Equity instruments in Associate Company	9,099,990	9,099,990
Total (A + B)	9,099,990	9,099,990

B. Details of Other Investments

Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	Face Value of (INR)	No. of Shares / Units	Quoted / Unquoted	Partly Paid / Fully paid	Amount (Rs.)		"Whether stated at Cost Yes / No"
						31.03.2013	31.03.2012	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Investment in Equity Instruments	Subsidiary	10	909,999	Unquoted	Fully Paid	9,099,990	9,099,990	Yes
Investment in Equity Instruments	Other					—	—	
Total						9,099,990	9,099,990	

NOTE:13 LONG TERM LOANS AND ADVANCES (Unsecured)

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
Considered Good:		
a Security Deposits	7,206,181	7,239,637
b Mat Credit Receivables	27,517,879	19,609,466
c Share Application Money in Associate Company	17,900,000	17,900,000
d Capital Advance	—	6,298,884
e Interest Accrued	75,734	27,043
Total	52,699,794	51,075,030

NOTE:14 CURRENT INVESTMENTS

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
Investment in Mutual Fund Quoted	3,447,903	—
Total	3,447,903	—

Notes to the Financial Statements

NOTE : 15 INVENTORIES

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
a Medicines (valued at cost)	12,133,147	5,586,532
b Stores and Spares (valued at cost)	1,390,883	845,274
c Surgical consumable/implants(valued at Cost)	21,534,900	19,505,842
d Other Consumables (valued at cost)	—	2,403,705
Total	35,058,930	28,341,353

Note : 16 TRADE RECEIVABLES

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
(Unsecured and Considered Good)		
a Trade receivables outstanding for a period less than six months from the date they are due for payment	139,165,404	119,955,459
b Trade receivables outstanding for a period exceeding six months from the date they are due for payment	0	0
Total	139,165,404	119,955,459

Note : 17 CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
a Balances with banks*		
Current Accounts	6,603,191	11,356,833
Deposit Account	7,808,616	832,308
b Cash on hand	10,534,036	4,097,887
Total	24,945,843	16,287,028
*Fixed deposit receipts of the company includes Rs. 6.18 Lacs (Rs. 8.32 lacs in previous year) which are under lien with bankers for obtaining Bank Guarantee		

Note : 18 Short-Term Loans and Advances

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
(Unsecured and Considered Good)		
a Loans and Advances to Employees	1,822,282	2,094,732
b Income Tax Refund Due	1,199,606	3,038,344
c Other Loans & Advances	6,930,213	3,882,053
Total	9,952,101	9,015,129

Note : 19 Other Current Assets

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
Prepaid Expenses	2,102,131	2,309,319
Total	2,102,131	2,309,319



Notes to the Financial Statements

Note:20 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2013 (in Rs.)	For the year ended 31st March, 2012 (in Rs.)
a Revenue from Healthcare Services	537,593,805	426,239,378
b Revenue from Pharmacy & Surgical Sales	198,495,137	139,752,696
c Nursing College	6,823,910	5,033,300
Total	742,912,852	571,025,374

Note:21 OTHER INCOME

Particulars	For the year ended 31st March, 2013 (in Rs.)	For the year ended 31st March, 2012 (in Rs.)
Interest Receipts	390,628	705,975
Rent Receipts	708,200	874,800
Other Income	5,945,427	3,419,178
Total	7,044,255	4,999,953

Note:22 CHANGES IN INVENTORIES OF STOCK IN TRADE

Particulars	For the year ended 31st March, 2013 (in Rs.)	For the year ended 31st March, 2012 (in Rs.)
Opening Stock in trade	22,226,609	17,545,820
Less: Closing Stock in trade	25,518,747	22,226,609
Total	(3,292,138)	(4,680,789)

Note:23 COST OF MATERIALS CONSUMED

Particulars	For the year ended 31st March, 2013 (in Rs.)	For the year ended 31st March, 2012 (in Rs.)
Indigenous Materials:		
Surgical	16,180,716	11,491,927
Stores Consumable	37,479,868	23,166,354
Total Consumption of Materials	53,660,584	34,658,281
(Consumption relates to items used for healthcare services only)		

Note:24 PURCHASE OF STOCK IN TRADE

Particulars	For the year ended 31st March, 2013 (in Rs.)	For the year ended 31st March, 2012 (in Rs.)
Indigenous Materials		
Pharmacy	83,498,629	54,599,446
Surgical	50,816,202	38,281,318
Total	134,314,831	92,880,764

Note: 25 EMPLOYEE BENEFITS EXPENSE

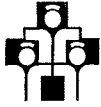
Particulars	For the year ended 31st March, 2013 (in Rs.)	For the year ended 31st March, 2012 (in Rs.)
a Salaries and incentives to employees	110,889,263	76,181,915
b Contribution to Provident Fund	768,619	581,043
c Gratuity	1,062,000	2,410,377
d Staff Welfare Expenses	4,505,899	4,649,875
e Bonus and Exgratia	3,593,754	862,548
TOTAL	120,819,535	84,685,758

Note: 26 FINANCE COSTS

Particulars	For the year ended 31st March, 2013 (in Rs.)	For the year ended 31st March, 2012 (in Rs.)
Interest Expense	44,317,671	31,247,433
Other Borrowing Cost	816,447	1,608,007
TOTAL	45,134,118	32,855,440

Note: 27 OTHER EXPENSES

Particulars	For the year ended 31st March, 2013 (in Rs.)	For the year ended 31st March, 2012 (in Rs.)
Other Operating Expenses	195,089,954	172,685,178
Power & Fuel	21,334,162	17,568,447
House Keeping Expenses	14,206,988	11,341,228
Rates & Taxes excluding taxes on income	11,429,318	10,223,837
Rent	10,308,214	7,138,536
Repair to Building	1,417,177	1,553,521
Repair to Machinery	8,849,407	7,397,683
Repair to Vehicles	1,292,065	795,184
Office Maintenance & Others	9,954,159	5,294,793
Insurance	1,473,991	533,579
Printing & Stationery	4,408,042	3,837,060
Director Sitting Fees	86,260	81,000
Managerial Remuneration	5,400,000	3,660,000
Advertisement, Publicity & Marketing	3,172,241	1,628,329
Travelling & Conveyance	3,469,565	2,855,752
Subscriptions	210,299	233,850
Security Charges	4,414,245	3,490,352
Legal & Professional Fees	4,042,233	4,300,187
Postage, Telegram & Telephone Expenses	1,876,165	1,291,600
Donations	800,000	349,280
Auditors Remuneration	168,540	168,540
Miscellaneous Expenses	1,061,897	1,030,297
Loss on sale of Assets(Net)	—	111,946
Total	304,464,922	257,570,179



Notes to the Financial Statements

Note 28 : Retirement Benefit Plans :

a) Defined contribution plans:

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the Scheme, Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 10,62,000/- (Rs. 5,81,043/- for 31st March, 2012) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans:

The present value of the defined benefit obligation and related current service cost were measured using the projected Unit Credit Method, with actuarial valuation being carried out at 31st March, 2013.

The disclosure in respect of defined benefit gratuity plan is based on report given by actuary as on 31st March, 2013.

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Change in present value of obligation:		
Present value of obligation at the beginning of the year	42,69,000.00	18,58,623.00
Interest cost	3,67,365.85	1,61,700.00
Current service cost	9,67,430.00	8,90,000.00
Actuarial Losses/ (Gains)	(1,79,987.85)	13,58,677.00
Benefits paid	(92,808.00)	NIL
Present value of Obligation at the close of the year	53,31,000.00	42,69,000.00
Amount recognised in the statement of Profit and Loss:		
Current Service Cost	9,67,430.00	8,90,000.00
Interest Cost	3,67,365.85	1,61,700.00
Expected Return on plan assets	NIL	NIL
Actuarial Losses	1,79,987.85	13,58,677.00
Expenses recognised	NIL	NIL
Actuarial Assumptions at the Balance Sheet date:		
Discount Rate	8.20%	8.70%
Salary Escalation	10%	10%
Mortality Rate	LIC (1994-1996) Ultimate	LIC (1994-1996) Ultimate

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Note 29: Segment Reporting:

Particulars	2012-13			2011-12		
	Hospital	Nursing College	Total	Hospital	Nursing College	Total
(A) INFORMATION IN RESPECT OF PRIMARY SEGMENT						
(I) Segment Revenue						
Operating Income	736,088,942	6,823,910	742,912,852	565,992,374	5,033,000	571,025,374
Total Segment Revenue	736,088,942	6,823,910	742,912,852	565,992,374	5,033,000	571,025,374
(II) Segment Results						
Profit (+) / Loss (-) Before Tax and Interest	130,601,624	2,343,494	132,945,118	104,743,014	1,168,167	105,911,181
Less:						
Unallocable Expenditure Net of Unallocable Income			39,779,911			34,198,921
Interest			45,134,118			32,855,440
Tax Expense			15,126,223			12,581,395
Profit After Tax			32,904,866			26,275,425
III) Other Information:						
(a) Segment Assets	925,140,427	23,162,302	948,302,729	817,261,801	6,486,864	823,748,665
Unallocated Assets				-	-	-
Total Assets	925,140,427	23,162,302	948,302,729	817,261,801	6,486,864	823,748,665
(b) Segment Liabilities	621,949,429	12,760,984	634,710,413	543,061,216	-	543,061,216
Unallocated Liabilities				-	-	-
	621,949,429	12,760,984	634,710,413	543,061,216	-	543,061,216
(c) Capital Expenditure	319,026,560	20,126,942	339,153,502	284,041,291	44,573	284,085,864
Depreciation	46,720,501	103,665	46,824,166	39,093,175	105,699	39,198,874
Unallocated Depreciation / Amortisation				-	-	-
	46,720,501	103,665	46,824,166	39,093,175	105,699	39,198,874

Note 30 : Earning Per Share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Net Profit/ (Loss) for the Year	32,904,866	26,275,425
Weighted average number of Equity Shares	93,58,668	93,58,668
Basic Earning per share (in Rs.)	3.52	2.81
Diluted Earning per share (in Rs.)	3.52	2.81



Note 31: Contingent Liability

Particulars	As at 31st March, 2013	As at 31st March, 2012
Disputed demand of Customs Department (under appeal). The Company has filed an appeal to High Court of Judicature at Allahabad.	38,45,000	38,45,000
Estimated amount of contract not executed on Capital Account not provided for (Net of Advances)	—	1,43,50,000
Bank Guarantee furnished to Director, CGHS for treatment of their employees.	10,00,000	10,00,000
Corporate Guarantee given to banks in respect of financial assistance availed by Associate Company.	194,500,000	194,500,000
Foreign Letter of Credit for import of Medical Equipment	—	18,32,524 (EURO27000) 63,40,713 (USD124630)

Note 32 : Related Party Disclosures :

(a) Related Parties :

Name of the related party	Relationship
Mr. A. R. Kapoor	Relative of Managing Director
Dr. Atul Kapoor	Managing Director
Dr. Rashmi Kapoor	Whole Time Director
Mrs. Soni Kapoor	Relative of Managing Director
Mr. Arun Kapoor	Relative of Managing Director
Mr. Abhishek Kapoor	Relative of Managing Director
HCG Regency Oncology Healthcare Private Limited	Associate Company

(b) Transactions with Related Party :

Name of Person	Relation with Company	Description of transactions during the year	2012-13	2011-12
Mr. A. R. Kapoor	Relative of Managing Director	Remuneration	1,80,000	1,80,000
		Land Rent	9,22,818	8,38,923
Dr. Atul Kapoor	Managing Director	Remuneration	30,00,000	24,00,000
Dr. Rashmi Kapoor	Whole Time Director	Remuneration	24,00,000	12,60,000
Mrs. Soni Kapoor	Relative of Managing Director	Interest	8,62,787	13,87,688
		Remuneration	9,10,000	3,60,000
Mr. Arun Kapoor	Relative of Managing Director	Remuneration	9,10,000	3,60,000
Mr. Abhishek Kapoor	Relative of Managing Director	Remuneration	13,50,000	—
HCG Regency Oncology Healthcare Private Limited	Associate Company	Investment in in Shares	90,99,990	90,99,990

Note 33: Remuneration to Auditors (excluding service tax):

Particulars	2012-13	2011-12
a) Audit Fees	125,000	100,000
b) Tax Audit Fees	25,000	25,000
c) Certification & Other Professional Matters	50,000	25,000

Note 34 : The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office etc.). These leasing arrangements which are not non-cancellable range between 11 months and 30 years generally, or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable during the year are charged as "Rent" under Note 27.

With regard to certain other non cancellable operating leases for premises, the future minimum rentals are as follows :

Particulars	As at 31st March, 2013 (in Rs.)	As at 31st March, 2012 (in Rs.)
Later than one year and not later than five year	1,19,16,860	18,00,000
Later than five years	51,16,376	55,50,000

Note 35: Details of dues due to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely "The Micro, Small and Medium Enterprises Development Act, 2006" which comes into force with effect from 2nd October, 2006. As per the Act , the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Note 36 : Sundry Debtors, Loans and Advances:

- i. Sundry Debtors represent the debt outstanding on treatment of employees of corporate clients with whom company is empanelled.
- ii. In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated, if realised in ordinary course of business and provision for depreciation and other known liabilities is adequate.

Note 37 :

(a) Value of Imports calculated on CIF basis :

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
i) Raw Materials	—	—
ii) Capital Goods	92,94,988	3,99,61,924
iii) Stores and spare parts	—	—

(b) Expenditure in Foreign Currency :

Interest, Commitment and Bank Charges	11,31,362	5,37,323
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Note 38 : Derivative Instruments :

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :-

Particulars	2012-13		2011-12	
	Foreign Currency	Amount (in Rs.)	Foreign Currency	Amount (in Rs.)
Amount Payable in Foreign Currency on account of the following Loans Payable	\$837630 Euro 27000	45,558,110 1,877,682	\$713000 -	36,274,802 -

Note 39 : Previous year figures have been reclassified /regrouped wherever necessary to correspond with the Current year's classification /disclosure.

Note 40 : These financial statements have been prepared in the format prescribed by the revised Schedule VI of the Companies Act, 1956. Previous period figures have been recasted /restated to confirm to the classification of the current period.



Regency Hospital Ltd.

REGENCY HOSPITAL LIMITED
Regd. Office: A-2, SARVODAYA NAGAR,
KANPUR - 208005.

ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 24th ANNUAL GENERAL MEETING of the Company at A-2, Sarvodaya Nagar, Kanpur at 11.00 A.M. on Saturday, 28th September, 2013.

Name of the Shareholder
(in block capitals)

Signature

Folio No. _____

Full Name of Proxy
(in block capitals)

Signature

.....
REGENCY HOSPITAL LIMITED
Regd. Office: A-2, SARVODAYA NAGAR,
KANPUR - 208005.

PROXY FORM

(To be filled in and signed by the Shareholders)

I/We of of
..... being a member/ members of the above named Company hereby appoint
..... of or failing him / her
of as my / our proxy to vote for me / us on my / our behalf at the Twenty Fourth Annual
General Meeting of the Company to be held on Saturday, 28th September, 2013.
As witness my/our hand(s) this day of 2013.

Signed by the said
Ledger Folio No.

Note: This proxy form duly signed across revenue stamps of Re.1/- should reach the Company's Registered Office at least 48 hours before the time of the meeting.

If undelivered, Please return to :
REGENCY HOSPITAL LIMITED
A-2, Sarvodaya Nagar,
Kanpur-208 005