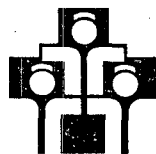
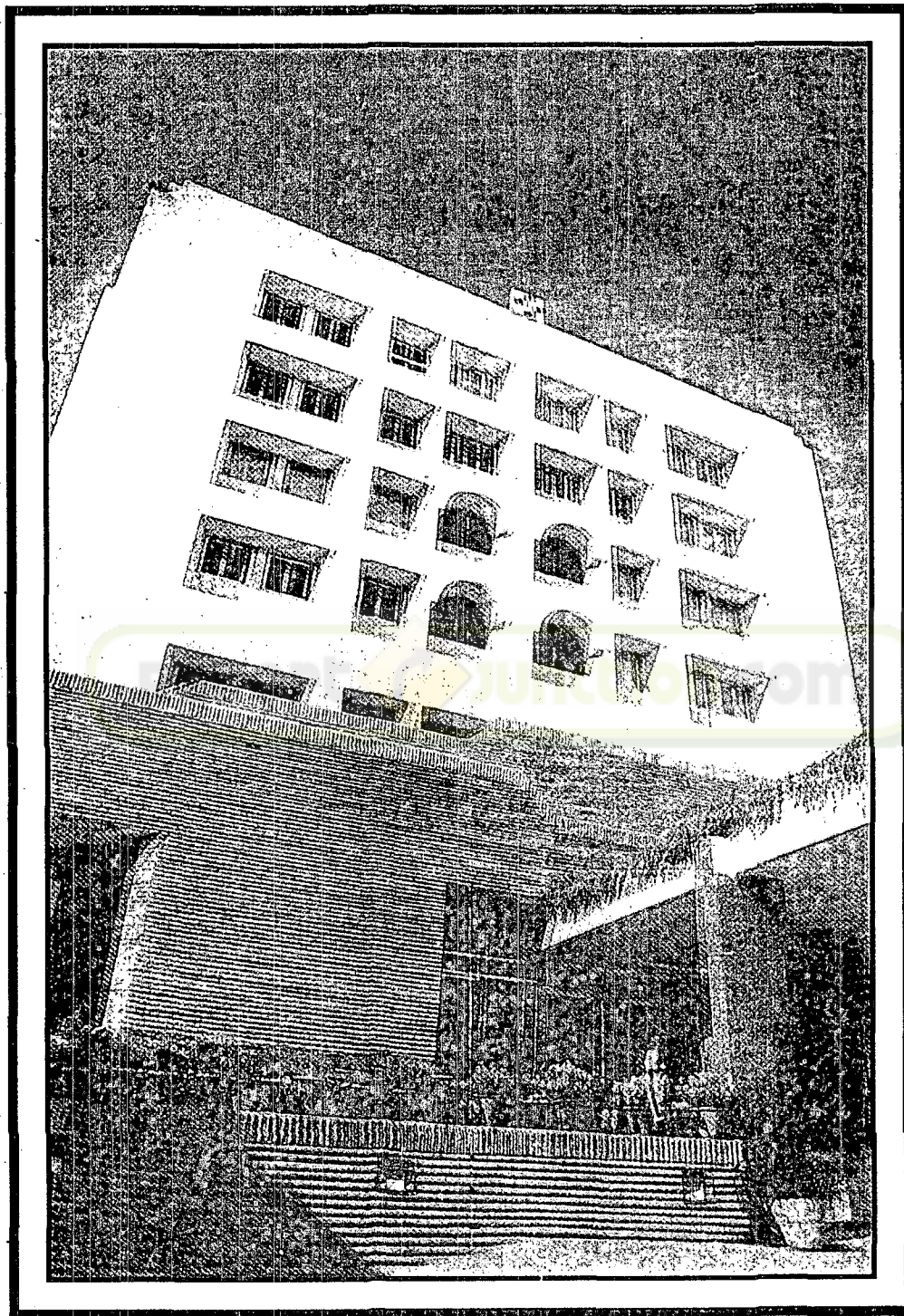


# *18th Annual Report* *2006-2007*



*Regency Hospital Ltd.*



## *Regency Hospital Ltd.*

### **BOARD OF DIRECTORS**

Shri R. L. SRIVASTAVA

Dr. ATUL KAPOOR

Dr. RASHMI KAPOOR

Dr. S. C. ARYA

Shri ANIL KHEMKA

- Chairman

- Managing Director

- Whole Time Director

- Director

- Director

### **AUDITORS**

M/s. JAIN DHINGRA & ASSOCIATES

Chartered Accountants

KANPUR

### **MAIN BANKERS**

PUNJAB NATIONAL BANK

### **REGISTERED OFFICE**

A-2, SARVODAYA NAGAR,

KANPUR - 208 005

### **HOSPITAL**

A-2, SARVODAYA NAGAR,

KANPUR - 208 005

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*Regency Hospital Ltd.*

## NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of REGENCY HOSPITAL LIMITED will be held on 29<sup>th</sup> the September, 2007, at 10.00 A.M at the Registered Office of the Company at A-2, Sarvodaya Nagar, Kanpur - 208005 to transact the following business :-

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2007, Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Rashmi Kapoor, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS :

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

**RESOLVED THAT** pursuant to the provisions of Section 293(1) (a) and other applicable provisions, if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging, hypothecating or charging of all or any of the assets or properties of the Company, movable or immovable, both present or future, including the whole or substantially the whole of the undertaking(s) of the Company by way of second charge for securing the working capital facilities amounting to Rs. 120.00 Lacs sanctioned by Punjab National Bank together with interest, cost, charges, expenses and any other money payable by the Company to the aforesaid Bank under the respective Loan Agreement and other documents.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to execute all necessary documents, writings, papers etc. and to do all acts, deeds, matters and things, as may be necessary for the purpose of giving effect to the above resolution and all acts and deeds of Directors in connection with this matter as above, be and are hereby confirmed and ratified.

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

**"RESOLVED THAT** pursuant to 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 of the Company for borrowing for and on behalf of the Company, from time to time, any sum or sums of monies, on such terms and conditions, as the Board may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose provided that the total amount upto which monies may be borrowed at any time shall not exceed Rs. 30.00 Crores (Rupees Thirty Crores).

## Eighteenth Annual Report

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

**"RESOLVED THAT** pursuant to the provisions of Section 61 of the Companies Act, 1956, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to delist the Company's Equity Shares of the Company from Ahmedabad, Jaipur and Calcutta Stock Exchanges.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as may be necessary to give effect to the aforesaid resolution.

Registered Office :

A-2, Sarvodaya Nagar,  
Kanpur-208005

By Order of the Board

Dated : 1<sup>st</sup> September, 2007

Dr. Atul Kapoor  
(Managing Director)

*Notes :*

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING 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.
2. An Explanatory Statement pursuant to provisions of Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 4 to 6 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from the 28.09.2007 to the 29.09.2007 (both days inclusive).
4. In terms of Clause 49 of the Listing Agreement information on Directors retiring by rotation seeking re-appointment at this Annual General Meeting is as under :



*Regency Hospital Ltd.*

Particulars	Dr. Rashmi Kapoor
Date of Birth and Age	19.02.1957 Age : 50 Years
Appointed on	16.10.1989
Qualifications	M.B.B.S., M.D.
Expertise in specific functional areas	Medical
Directorship held in other Public Companies (excluding Foreign Companies)	NIL
Memberships/Chairmanships of committees across public Companies	NIL



# Eighteenth Annual Report

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

### Item No. 4 :

With a view to secure the enhanced Working Capital facilities from Rs. 75.00 Lacs to Rs. 120.00 Lacs sanctioned by Punjab National Bank, the Company has by way of second charge Equitably mortgaged the immovable properties of the Company in favour of the Bank. As the mortgaging or the charging of the Assets may amount to disposal of whole or substantially the whole of the undertaking of the Company, approval of the Members is being sought in terms of the provisions of Section 293(1)(a) of the Companies Act, 1956.

The Board commends 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.5 :

Section 293(1)(d) of the Companies Act, 1956, provides that the Board of Directors of the Company shall not, except with the consent of the Company in General Meeting, borrow (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) money in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose. It is proposed to increase the borrowing powers of the Board upto Rs. 30.00 Crores (Rupees Thirty Crores only). The resolution is of an enabling nature and the Board recommends the same for your approval.

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

### Item No.6 :

At the Sixteenth Annual General Meeting of the Company held on 30<sup>th</sup> September, 2005, the Members had decided for delisting of Equity Shares of the Company from Ahmedabad, Jaipur and Calcutta Stock Exchanges as the Equity Shares of the Company did not witness any trading activity thereat over a fairly long period and the Company has to incur expenditure on account of annual listing fee without any tangible benefit. It was also decided to continue listing with Mumbai Stock Exchange and Kanpur Stock Exchange, the Regional Stock Exchange as expansion of BOLT covering all major cities offered sufficient trading opportunities to members/investors across the country. Although the members of the Company have already approved the delisting proposal, the same could not be implemented. Meanwhile, Securities and Exchange Board of India has, vide SEBI (Delisting of Securities) Guidelines, 2003 done away with the requirement of offering an exit option to the Members situated in the regions of the Stock Exchanges from which a Company's securities are proposed to be delisted. The proposed voluntary delisting of the Company's Shares from the said Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to Section 61 of the Act and the Delisting Guidelines issued by SEBI, as may be in force from time to time. It is now proposed to seek the Member's approval afresh by way of a Special Resolution for voluntary delisting of the Company's shares from the said Stock Exchanges as set out in the Resolution at Item No.6.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members.

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

All the documents mentioned in the Notice are available for inspection of members at the Registered Office of the Company during business hours on all working days upto the date of the meeting.

### Registered Office :

A-2, Sarvodaya Nagar,  
Kanpur-208005

Dated : 1<sup>st</sup> September, 2007

By Order of the Board

Dr. Atul Kapoor  
(Managing Director)



*Regency Hospital Ltd.*

## DIRECTORS' REPORT

To,  
The Members of  
REGENCY HOSPITAL LIMITED

Your Directors have pleasure in presenting herewith the Eighteenth Annual Report and Audited Statement of Accounts of the Company for the financial period ended 31<sup>st</sup> March, 2007.

### FINANCIAL RESULTS

The summarized financial results of the Company for the financial year ended 31<sup>st</sup> March, 2007 as compared to previous year are as under :

	AMOUNT (Rs. in Lacs)	
	2006-2007 (09 Months)	2005-2006 (15 Months)
Total Income	1795.47	2444.57
Profit/(Loss) before Interest and Depreciation	367.82	477.21
Less : Finance Charges	187.45	173.92
Gross Profit/(Loss)	180.37	303.29
Less : Depreciation	153.77	245.43
Profit/(Loss) before Tax	26.60	57.86
Less : Provision for Tax		
Fringe Benefit Tax	1.47	1.53
Current Tax	2.98	0.00
Add : Prior Period Adjustments (Net)	2.64	546.00
Add : Balance brought forward from last year	(1175.53)	(1777.86)
Balance Loss carried to Balance Sheet	(1150.74)	(1175.53)

### FINANCIAL REVIEW

Total income during (9 Month) the period of Rs. 1795.47 Lacs represents an increased of approximately 22% annualised growth over the previous period (15 Months). Profit before Depreciation, Interest and Taxes (PBDIT) registered Rs. 367.82 Lacs during 9 months period which is not comparable from Profit before Depreciation, Interest and Taxes (PBDIT) of previous period ending of 15 months. Profit after tax during the (9 Months) period was Rs. 22.14 Lacs compared to Rs. 56.33 Lacs during previous period (15 Months).

### OPERATIONS

The operations of the Hospital during the period under review remarkably improved. The improvement in the performance of the Company has been possible due to introduction of newer medical facilities, operational efficiency improved coupled with cost reduction measures undertaken by the Company. The Finance cost increased mainly due to higher cost fund taken by the Company to undertake financial restructuring which resulted in reduction of accumulated losses and achieve positive net worth of the Company in coming years. Your Directors expect your Company to achieve even better performance during the current financial year by up gradation of newer medical facilities/equipments, which are presently not available in the city and surrounding areas.

### FINANCE

As members are aware, that the Company had settled all dues of Financial Institutions under one time settlement scheme in the month of June, 2006, As per the terms of sanction, the Company is in the process of implementing the "Scheme of Arrangement" finalized in consultation with Kotak Mahindra Bank Limited involving Capital Restructuring and allied matters, which will improve the financial viability of the Company.

### DIRECTORS

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

# Eighteenth Annual Report

## 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. 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. Particulars of 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, are not applicable to the Company. There have been no earnings or expenditure in foreign exchange during the year under review.

### C. LISTING INFORMATION :

The Equity Shares of the Company are mainly listed at Kanpur and Mumbai Stock Exchanges and the Annual Listing Fee is paid. In view of extensive networking of BOLT covering all major Cities and negligible trading volumes at other Stock Exchanges, the Company proposes to delist its Equity Shares from Ahmedabad, Jaipur and Calcutta Stock Exchanges.

### D. CORPORATE GOVERNANCE :

A separate Section on Corporate Governance forming part of the Directors' Report and the Certificate from the Company's Auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

### E. DIRECTORS' RESPONSIBILITY STATEMENT :

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company state in respect of the year ended 31<sup>st</sup> March, 2007 that :-

- in preparation of Annual Accounts, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
- they have selected such Accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial year and of the Profit of the Company for that year.
- they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- they have prepared Annual Accounts on a going concern basis.

## ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their sincere thanks to the Financial Institutions, 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 specially grateful to the shareholders for reposing trust and confidence in the Company.

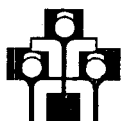
Registered Office :  
A-2, Sarvodaya Nagar,  
Kanpur-208005

By Order of the Board

(R. L SR:VASTAVA)  
CHAIRMAN

Dated : 1<sup>st</sup> September, 2007





*Regency Hospital Ltd.*

## CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

### 1. Company's philosophy on code of Governance :

Your Company is committed to Corporate Governance in all its activities and practising the same since inception. It has been a core belief and practice with the Company to consider itself the custodian and trustee of all the constituencies of our business – Customers, Business Associates, Shareholders and Society and to pursue the responsibility by creation of wealth for them with missionary zeal. Our Company has sought and will continue to seek corporate excellence through ethics, passion and perseverance.

### 2. Board of Directors :

The Company's Board comprises of Five Directors of which the Managing and Whole-time Director are the Executive Directors.

The Non-Executive Directors bring wide ranging experience and independent judgement to the Board's deliberations and decisions.

The Company being a Board managed Company and the Board meets at regular intervals and in addition to review of operations, formulates Corporate policies and sets up goals. The Board has constituted the following Committees viz\* :

▣ **AUDIT COMMITTEE**

▣ **REMUNERATION / COMPENSATION COMMITTEE**

▣ **SHARE TRANSFER & TRANSMISSION CUM INVESTORS' GRIEVANCE COMMITTEE**

Present Composition of Board and the number of directorships held by each of the directors are given below :

Name of Director	No. of Directorships Held	No. of Board Committee Chairman	Memberships held as Member #
<b>Executive-Wholetime Director :</b>			
1. Dr. Atul Kapoor (Managing Director)	1	—	1
2. Dr. Rashmi Kapoor (Whole-time Director)	1	—	1
<b>Non-Executive Directors :</b>			
3. Dr. S. C. Arya	1	—	2
4. Shri Anil Khemka	1	1	1
5. Shri R. L. Srivastava (Chairman)	2	2	—

# 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.

### Board Meetings and Attendance :

During the Financial period from 1<sup>st</sup> July, 2006 to 31<sup>st</sup> March, 2007, three Board Meetings were held on the following date(s) 29<sup>th</sup> September, 2006, 5<sup>th</sup> December, 2006 and 20<sup>th</sup> January, 2007.

## Eighteenth Annual Report

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

Name of Director	No. of Board Meetings held*	No. of Board Meetings attended	Whether attended the AGM Yes / No
<b>PRESENT DIRECTORS :</b>			
Shri R. L. Srivastava	3	2	Yes
Dr. Atul Kapoor	3	3	Yes
Dr. Rashmi Kapoor	3	3	Yes
Dr. S. C. Arya	3	-	No
Shri Anil Khemka	3	2	Yes

\* Indicates the Board meetings held during the tenure of Director(s).

### 3. Audit Committee :

The Company had constituted an Audit Committee in the year 2001, lastly reconstituted on 5<sup>th</sup> December, 2006. During the period from 1<sup>st</sup> July, 2006 to 31<sup>st</sup> March, 2007 two meetings of the Audit Committee were held on the following date(s) 5<sup>th</sup> December, 2006 and 20<sup>th</sup> January, 2007.

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 :

- (a) To establish accounting policies and practices in consultation with management and Auditors.
- (b) To ensure appropriate financial reporting by establishing appropriate policies.
- (c) To disclose financial information which is true, fair and objective.
- (d) To establish appropriate internal controls and review the same with Management and Auditors.
- (e) To recommend appointment / change of external auditors, audit fee and approve payment for other services.
- (f) To meet Auditors regularly prior to commencement of audit to establish scope of audit.
- (g) To review internal audit functions, continuously, monitor and rectify any irregularities discovered in internal audit and report the same to the Board.
- (h) To review Company's risk management policies.
- (i) To coordinate and disseminate information between Board, Auditors and Management.
- (j) To place before the Board budgets, operating plans and such other information as may be required.
- (k) To review quarterly results and annual results with Auditors and place the same before the Board.

### COMPOSITION AND ATTENDANCE :

The Audit Committee comprises following directors as Members. All of them are Independent Directors with vast experience in and knowledge of Corporate affairs and finance.

Shri Anil Khemka	-	Chairman (having financial background)
Dr. S. C. Arya	-	Member
Shri R. L. Srivastava	-	Member