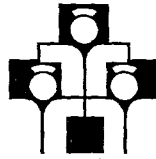


# Regency Hospital Ltd.

*21st Annual Report*

*2009-2010*





# *Regency Hospital Ltd.*

## **BOARD OF DIRECTORS**

SHRI R. L. SRIVASTAVA

DR. ATUL KAPOOR

DR. RASHMI KAPOOR

SHRI ANIL KUMAR KHEMKA

DR. SHYAM SWARUP AGARWAL

- Chairman
- Managing Director
- Whole Time Director
- Director
- Director

## **AUDITORS**

M/s. JAIN DHINGRA & ASSOCIATES

Chartered Accountants

KANPUR

## **MAIN BANKERS**

BANK OF BARODA, S.S.I. BRANCH,  
SARVODAYA NAGAR,  
KANPUR

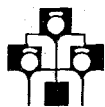
## **REGISTERED OFFICE**

A-2, SARVODAYA NAGAR,  
KANPUR - 208005

## **HOSPITAL**

A-2, SARVODAYA NAGAR,  
KANPUR - 208 005

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## NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of **REGENCY HOSPITAL LIMITED** will be held on Saturday, September 18, 2010 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 period ended March 31, 2010, 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 herself 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 :**

1. 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, 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. 50.00 Crores 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."

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 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.50.00 Crores ."

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

By Order of the Board

Dated: July 31, 2010

(KAMINI GUPTA)  
Company Secretary

**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 4 Hours before the commencement of the Meeting.
2. 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.
3. Members are requested to bring their attendance slip along with their copy of Annual Report of the meeting.
4. 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.
5. An Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of Item Nos. 4 and 5 annexed hereto.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 14, 2010 to Saturday, September 18, 2010 (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:

<b>Particulars</b>	Dr. Rashmi Kapoor
<b>Date of Birth and Age</b>	February 19, 1957, Age : 53 Years
<b>Appointed on</b>	October 16, 1989
<b>Qualifications</b>	M.B.B.S., MD
<b>Expertise in specific functional areas</b>	Medical
<b>Directorship held in other Public Companies (excluding Foreign Companies)</b>	NIL
<b>Memberships / Chairmanships of committees across public Companies.</b>	NIL

## **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 empower the Board of Directors of the Company to raise additional resources to match the business plans and for the purpose to provide such Securities 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. 50.00 Crores in terms of the provisions of Section 293 (1) (a) of the Companies Act, 1956. The Board 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.

#### **Item No. 5 :**

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 an amount not exceeding Rs.50.00 Crores 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

By Order of the Board

(KAMINI GUPTA)  
Company Secretary

July 31, 2010  
Kanpur



## **DIRECTORS' REPORT**

To,  
The Members of  
**REGENCY HOSPITAL LIMITED**

Your Directors have pleasure in presenting herewith the Twenty First Annual Report and audited Statement of Accounts of the Company for the year ended March 31, 2010.

### **FINANCIAL RESULTS**

The Financial performance of the Company, for the year ended March 31, 2010 is summarized below :

Amount  
(Rs. in Lacs)

<b>PARTICULARS</b>	<b>2009-10 (12 Months)</b>	<b>2008-2009 (9 Months)</b>
Total Income	4004.76	2439.18
Profit/(Loss) before Interest ,Depreciation,Taxation and Extra Ordinary item	751.33	538.79
Less : Depreciation	301.84	184.14
Less: Finance Charges	271.71	271.57
Profit before Taxation and Extra ordinary Item	177.78	83.08
Less/(Add) : Provision for Taxation:		
Current Tax	30.21	7.47
Fringe Benefit Tax	0.00	1.16
Deferred Tax Assets/ Liability	64.29	(304.22)
Mat Credit Entitlement	(30.21)	(18.75)
(Add)/Less : (Short)/Excess Provision of Income Tax	0.09	(3.17)
Profit After Tax	113.40	400.59
Add : Balance in Profit and Loss Account	484.32	83.73
Balance Carried forward to Balance Sheet	597.72	484.32

The assets and liabilities of Abhirev Healthcare Private Limited (AHPL) and its operating results have been incorporated in the Company's books with effect from 1st April, 2009 (Appointed date).

### **OPERATIONS**

The year under review was a landmark in as much as the Company has scaled new heights and set several new benchmarks in terms of sales, profits, net worth and assets. Turnover for the year was Rs.4004.76 Lacs against Rs.2439.18 Lacs during the previous period of nine months representing an increase of 23% over the previous period on an annualized basis. The operations have resulted in a Profit before tax of Rs.177.78 Lacs in twelve months period as compared to Rs.83.08 Lacs in nine months in the previous period.

### **AMALGAMATION OF ABHIREV HEALTHCARE PRIVATE LIMITED WITH THE COMPANY**

Abhirev Healthcare Private Limited (AHPL) has been amalgamated with the Company. The Scheme of Amalgamation was sanctioned by the Hon'ble High Court of Judicature at Allahabad vide order dated March 22, 2010 which was received by the Company on March 29, 2010. The Scheme became effective from March 30, 2010, the Appointed date of the Scheme being April 1, 2009.

The amalgamation follows the Company's philosophy of creating enduring value for all its stakeholders. The amalgamation creates a platform for value enhancing growth and reinforces the Company's position. With this amalgamation, the number of beds in the hospital increased to 225 with expansion of the building area as the amalgamated hospital was just adjacent to the Company premises.

### **UPGRADATION AND EXTENSIONS**

During this period, the Company has setup a 6 Bedded New ICU Unit for trauma patients and 24 Beds for General Ward which became operational from October, 2009. The Company has also started high class IVF Centre which is the first centre at Kanpur. Likewise, it is also contemplating a capital expenditure of Rs. 325 Lacs towards New OPD Block, additional lift and some new medical equipment which will be operational by close of this year. The Company has also entered into an agreement for purchase of land for expansion of hospital which is situated next door to the existing hospital building since the present capacity of the hospital is almost fully utilized. We contemplate that this expansion will require a capital outlay in tune of Rs.30 Crores.

### **DIVIDEND**

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

### **FINANCIAL REVIEW AND ANALYSIS**

The Company has been strengthening its financial position which helped the Company to pass through the turbulent times. The Company is deploying its cash accruals in such a way so that good returns are derived. Our Bankers has reviewed all our credit facilities at prime lending rates looking to our achievement of projections and timely repayment of loans.

### **DIRECTORS**

In terms of the provisions of Section 256 of the Companies Act, 1956, read with Articles of Association of the Company, Dr.(Mrs) Rashmi Kapoor, Whole time 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. 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. LISTING INFORMATION

The Equity Shares of the Company are listed at Kanpur and Mumbai Stock Exchanges and the Annual Listing Fee is paid. The Share Capital of the Company are admitted for dematerialization with both the depositories i.e. Central Depository Services (India) Limited (CDSL) and National Security Depository Limited (NSDL).

### 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 the conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

### 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

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 and based on the information provided by the management, your Directors state that:-

- a) In the preparation of the Annual Accounts for the year ended March 31, 2010, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
- b) they have selected such Accounting policies and applied them consistently and 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 at the end of the Financial year and of the Profit of the Company on that date.

- c) 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.
- 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 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 especially grateful to the shareholders for reposing their trust and confidence in the Company.

By Order of the Board

Place: Kanpur  
Date: July 31, 2010

(R.L. SRIVASTAVA)  
CHAIRMAN