

Regency Hospital Ltd.

22nd Annual Report
2010-2011



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The Ministry of Corporate Affairs has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued circulars allowing service of notices /documents including any report by e-mails to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to do the same immediately.



Regency Hospital Ltd.

BOARD OF DIRECTORS

Mr. R. L. SRIVASTAVA	- Chairman
DR. ATUL KAPOOR	- Managing Director
DR. RASHMI KAPOOR	- Whole Time Director
Mr. ANIL KUMAR KHEMKA	- Director
Mr. SHYAM SWARUP AGARWAL	- 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

REGISTERED OFFICE

A-2, SARVODAYA NAGAR,
KANPUR - 208005

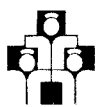
HOSPITAL

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 Second Annual General Meeting of the Members of **REGENCY HOSPITAL LIMITED** will be held on Saturday, September 17, 2011 at 11 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, 2011, Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Shyam Swarup Agarwal 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 a 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 payment of revised remuneration to Dr. Atul Kapoor, Managing Director of the Company with effect from 1st September, 2011 for the remainder term of his office as under:

a) SALARY

Rs. 2,50,000/- (Rupees Two 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. 6,00,000/- 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 a Special Resolution:-

"RESOLVED THAT pursuant to provisions of Section 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 payment of revised remuneration to Dr. Rashmi Kapoor, Whole time Director of the Company with effect from 1st September, 2011 for the remainder term of her office as under:

SALARY

Rs. 2,00,000/- (Rupees Two Lacs only) per month.

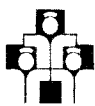
PERQUISITES

- 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. 6,00,000/- 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 her 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 18th September, 2010 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. 75.00 Crores (Rupees Seventy 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 18th September, 2010 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. 75.00 Crores (Rupees Seventy Five Crores) only."

Registered Office :

A-2, Sarvodaya Nagar,
Kanpur-208005

Place : Kanpur

Date : August 6, 2011

By Order of the Board

Sd/-

(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 48 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 for 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. The 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.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 13, 2011 to Saturday, September 17, 2011 (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 are 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 of Directors seeking appointment at this Annual General Meeting is as under:

Particulars	Dr. Shyam Swarup Agarwal
Date of Birth and Age	July 5, 1941, Age: 71 Years
Appointed on	October 22, 2008
Qualifications	M.B.B.S., MD, FRCPC
Expertise in specific functional areas	Medical
Directorship held in other Public Companies (excluding Foreign Companies)	NIL
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 4 and 5 :

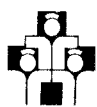
The shareholders at the Annual General Meeting of the Company held on 15th December, 2008 had appointed Dr. Atul Kapoor as Managing Director and Dr. Rashmi Kapoor as Whole time Director of the Company for a period of five years w.e.f. 1st September, 2008 on the terms and conditions as set out in the 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. Although the appointments were made for a period of five years, the payment of remuneration as approved was applicable only for a period of three years. In view of the above, the Board of Directors of the Company at its meeting held on August 6, 2011 decided to seek approval of members of the Company for payment of revised remuneration for the remainder term of their office w.e.f. 1st September, 2011 to 31st August, 2013 which is in accordance with the provisions of the Companies Act, 1956 read with Schedule XIII thereto. The revision of 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 of said managerial personnel.

None of the Directors of the Company except Dr. Atul Kapoor and Dr. Rashmi Kapoor being related 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 31.03.2011

	(Rs. in Lacs)
Turnover	5220.41
Profit /Net (Loss)	223.42
Net worth (excluding Revaluation reserve)	2544.12
Book Value per Share (excluding revaluation reserve)	27.18

- (v) Export performance and net
Foreign exchange earnings

: NIL

- (vi) Foreign investment or
collaboration, if any.

: NIL

II. INFORMATION ABOUT THE APPOINTEES :

Name	Background Details	Previous Remuneration	Proposed Remuneration	Job Profile
Dr. Atul Kapoor	Age : 54 Yrs. M.B.B.S, M.S Having 30 years of experience in Medical Science.	Rs. 2,00,000/- p.m plus perquisites upto Rs. 6.00 Lacs p.a	Rs. 2,50,000/- p.m plus perquisites upto Rs. 6.00 Lacs p.a	(Managerial) [responsible for overall management of the affairs of the Company]
Dr. Rashmi Kapoor	Age 54 Yrs. M.B.B.S, M.D. Having 30 years of experience in Medical Science.	Rs. 2,00,000/- p.m plus perquisites upto Rs. 6.00 Lacs p.a	Rs. 2,00,000/- p.m plus perquisites upto Rs. 6.00 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 operations 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 Net Profit of Rs. 223.42 Lacs during the financial year ended March 31, 2011. In addition, the Management proposes to undertake the number of measures which inter-alia include the expansion