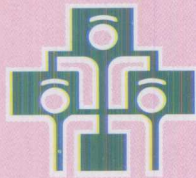




Mark of Excellence



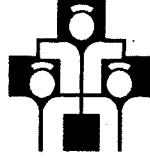
Regency Hospital Ltd.

24th Annual Report
2012-2013



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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.

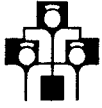
EXPLANATION

"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

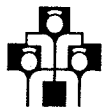
(Kamini Gupta)
Company Secretary

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 31st March, 2013	For the Year ended 31st 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