



Mark of Excellence



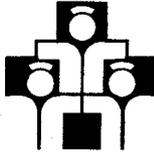
# Regency Hospital Ltd.

*23rd Annual Report  
2011-2012*



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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

## **REGISTERED OFFICE**

A-2, SARVODAYA NAGAR,

KANPUR - 208005

## **HOSPITAL**

A-2, SARVODAYA NAGAR,

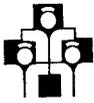
KANPUR - 208 005

## **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 Third Annual General Meeting of the Members of **REGENCY HOSPITAL LIMITED** will be held on Saturday, September 29, 2012 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 March 31, 2012, 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. Anil Kumar Khemka, 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 an Special Resolution:-

"**RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the 'Act') including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time (hereinafter referred to as 'SEBI ICDR Regulations'), enabling provisions of the Memorandum and Articles of Association of the Company and the Regulations, Guidelines or Clarifications, if any, prescribed or issued by any authority and the Listing Agreement entered into by the Company with the Stock Exchange(s) where the Shares of the Company are listed and subject to all necessary approvals, permissions and sanctions as may be required from any Governmental or regulatory authority and / or all other Institutions and bodies and subject to such condition(s) and modification(s) as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution), the consent and approval of the Company be and is hereby accorded to the Board (with powers to delegate all, or any of the powers hereby conferred to any duly authorized committee thereof) to create, offer, issue and allot on preferential basis, at its sole and absolute discretion, 10,48,000 (Ten Lacs Forty Eight Thousand only) Equity Shares of Rs. 10/- each at a premium of Rs. 40/- or the price as determined as on 'Relevant Date' in accordance with the 'SEBI ICDR Regulations', whichever is higher, and on such other terms and conditions as may be decided and deemed appropriate by the Board in its absolute discretion to the following shareholders:-

Name of Allottee (Promoter Group)	No. of shares
Dr. Atul Kapoor (HUF)	285300
Dr. Atul Kapoor	200000
Dr. Rashmi Kapoor	300000
Mrs. Soni Kapoor	258700
Mr. Abhishek Kapoor	4000
<b>Total</b>	<b>10,48,000</b>

**"RESOLVED FURTHER THAT** the "Relevant Date" for the purpose of computing the price for issue and allotment of Equity Shares shall be August 28, 2012."

**"RESOLVED FURTHER THAT** the Equity Shares shall be allotted within a period of fifteen (15) days from the date of passing of this resolution provided that where the allotment of Equity Shares is pending on account of pendency of any approvals for such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of fifteen (15) days from the date of such approval or such other extended period as may be permitted under SEBI ICDR Regulations as amended from time to time.

**"RESOLVED FURTHER THAT** the Equity Shares so issued and allotted shall rank in all respects pari-passu with the existing Equity Shares of the Company."

**"RESOLVED FURTHER THAT** the entire pre issue shareholding of the above allottees, if any shall be under lock-in from the relevant date upto a period of six months from the date of preferential allotment or such other period as may be applicable under the applicable 'SEBI ICDR Regulations' as amended from time to time."

**"RESOLVED FURTHER THAT** the Equity Shares so issued and allotted as above, shall be subject to the lock-in SEBI ICDR Regulations' as amended from time to time."

**"RESOLVED FURTHER THAT** the Equity Shares so issued and allotted as above, shall be listed and traded on all the Stock Exchange on which the existing equity shares of the Company are listed."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to above resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, at its discretion, deem necessary or desirable for such purpose, including without limitation and to entering into any arrangement or agreements for listing, trading, depository services and such other arrangements and agreements as may be necessary, and also to seek listing of the equity shares so issued with any stock exchange with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard to any such issue, offer or allotment of Equity Shares and in complying with any regulations, as it may in its discretion deem fit, without being required to seek any further clarification, consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authorities of this resolution."

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

By Order of the Board

**(KAMINI GUPTA)**  
Company Secretary

Kanpur, August 14, 2012



**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 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 sent 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 24, 2012 to Saturday, September 29, 2012 (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:

Particulars	Mr. Anil Kumar Khemka
Date of Birth and Age	November 18, 1956, Age: 55 Years
Appointed on	March 15, 1995
Qualifications	Chartered Accountant
Expertise in specific functional areas	Finance
Directorship held in other Public Companies (excluding Foreign Companies)	Indcoat Shoe Components 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.**

The Company requires adequate capital to meet the needs of growing business. While it is expected that the internal generation of funds would partially finance the need for capital and debt raising would be another source of funds, it is thought prudent for the Company to raise a part the funding requirements for the said purposes as well as for such other corporate purposes as may be permitted under applicable laws. The Board of Directors proposes to issue and allot 10,48,000 (Ten Lacs Forty Eight Thousand) Equity Shares to the Promoter of the Company on preferential basis. The proceeds of the issue are proposed to be utilized to part finance the long term working capital requirements and other general corporate purposes. The proposed preferential issue is in accordance with the Regulation for preferential issue contained in Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto from time to time.

**Disclosure in terms of Regulation 73(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 :**

**(i) The objects of the Preferential Issue:**

Funds mobilised through proposed issue are intended to be utilised to part finance the expansion project of oncology hospital and general corporate purposes as may be required from time to time.

**(ii) Proposal of the Promoters/Directors/Key Management Personnel to subscribe to the offer:**

The following Promoter Group do intend to subscribe to the above mentioned preferential allotment of shares to the extent of 10,48,000 Equity Shares being 10.07% of the post issue of capital of the Company:

Name of Allottee (Promoter Group)	No. of shares
Dr. Atul Kapoor (HUF)	285300
Dr. Atul Kapoor	200000
Dr. Rashmi Kapoor	300000
Mrs. Soni Kapoor	258700
Mr. Abhishek Kapoor	4000
<b>Total</b>	<b>10,48,000</b>



(iii) Pre- Issue and Post- Issue Shareholding Pattern of the Company :

Shareholder Category	Pre-Allotment Shareholding (as on 06.08.2012)		Post-Allotment Shareholding*	
	No. of Equity Shares	%age to Total Equity Share Capital	No. of Equity Shares	% age to total Equity Share Capital
Promoter and Promoter Group	66,55,460	71.12	77,03,460	74.02
Mutual Funds	520	0.01	520	-----
Financial Institutions/ Banks	52,800	0.56	52,800	0.51
Bodies Corporate	68,204	0.73	68,204	0.66
Resident Individual Shareholders	25,81,684	27.58	25,81,684	24.81
<b>TOTAL</b>	<b>93,58,668</b>	<b>100.00</b>	<b>1,04,06,668</b>	<b>100.00</b>

\*The above share holding pattern may change from time to time depending upon the transfer of Shares by the existing Shareholders.

(iv) **Proposed Time within which the Preferential Issue shall be completed:**

The allotment of shares on preferential basis shall be completed within a period of fifteen days from the date of passing of the Special Resolution by the Shareholders. However, in the absence of requisite approvals or pendency of approval from any regulatory authority, if applicable, the allotment shall be completed within 15 days from the date of such approval(s).

(v) **The Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them and change in control, if any, consequent to preferential issue:**

Sl. No.	Name of the proposed Allottee	Category	Address	Pre-Allotment Shareholding (as on 06.08.2012)		Post-Allotment Shareholding*	
				No. of Equity Shares	%age to Total Equity Share Capital	No. of Equity Shares	%age to Total Equity Share Capital
1	Dr. Atul Kapoor (HUF) AEKPK0867M	Promoter Group	117/H-1/197, Pandu Nagar, Kanpur	1182523	12.64	1467823	14.10
2	Dr. Atul Kapoor AEKPK0867M	Promoter Group	117/H-1/197, Pandu Nagar, Kanpur	1598863	17.08	1798863	17.29
3	Dr. Rashmi Kapoor AEKPK0868E	Promoter Group	117/H-1/197, Pandu Nagar, Kanpur	2057953	21.99	2357953	22.66
4	Mrs. Soni Kapoor ADRPK7796B	Promoter Group	117/H-1/197, Pandu Nagar, Kanpur	649210	6.94	907910	8.72
5	Mr. Abhishek Kapoor AREPK3455C	Promoter Group	117/H-1/197, Pandu Nagar, Kanpur	168240	1.80	172240	1.66

**(vi) Pricing of the issue :**

The issue price of the Equity Shares to be allotted on preferential basis to the proposed allottees shall be the higher of Rs. 50/- or the price as determined in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

**(vii) Change in Control :**

The allotment would not result in any change in control over the Company or the management of the affairs of the Company and the existing Promoters/ Directors of the Company will continue to be in control of the Company.

**(viii) Auditors' Certificate :**

The price at which the Equity Shares would be issued to the proposed allottees cannot be exactly determined before issue of this notice to the shareholders as it depends on the average of the market prices prevailing in the proceeding 2 weeks or 6 months as per SEBI formula. Hence, the Auditors' Certificate required will be made available for inspection at the Corporate Office of the Company on any working day from Relevant date.

**(ix) Lock in proposal issue of shares :**

The Equity Shares proposed to be issued to above proposed allottees shall be locked for a period from the date of allotment on terms of Regulation 78 of 'SEBI ICDR Regulations', 2009 for preferential allotment contained in Chapter VII to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Directors recommend the above Special Resolution for approval of members.

None of the Directors of the Company may be deemed to be concerned or interested in the resolution.

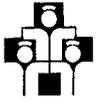
**Registered Office :**

A-2, Sarvodaya Nagar,  
Kanpur-208005

Kanpur, August 14, 2012

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 Third Annual Report and audited Statement of Accounts of the Company for the year ended March 31, 2012.

**FINANCIAL RESULTS (STANDALONE) \***

Amount (Rs. in Lacs)

PARTICULARS	For the Year ended 31st March, 2012	For the Year ended 31st March, 2011
Total Income	5760.25	5220.41
Profit/(Loss) before Interest, Depreciation, Taxation and Extra Ordinary item	1109.11	1008.47
Less : Depreciation	391.99	337.23
Less: Finance Charges	328.55	356.95
Profit before Taxation and Extra ordinary Item	388.57	314.29
Less/(Add):Provision for Taxation:		
Current Tax	77.74	62.64
Deferred Tax (Assets)/ Liability	125.81	90.86
Mat Credit Entitlement	(77.74)	(62.63)
Profit After Tax	262.76	223.42
Add: Balance in Profit and Loss Account	821.14	597.72
Balance Carried forward to Balance Sheet	1083.90	821.14

\*The subsidiary company has been incorporated on June 10, 2011 and its operation has not yet been started.

**COMPANY PERFORMANCE**

The total income for the financial year under review was Rs.5760.25 Lacs as compared to Rs.5220.41 Lacs for the previous year financial year registering growth of 10.34% . The Profit before tax excluding extra-ordinary item was Rs.388.57 Lacs and Profit after tax of Rs.262.76 Lacs for the financial year under review as against Rs.314.29 Lacs and Rs.223.42 Lacs respectively for the previous financial year. The company has treated 12953 indoor patients in compare to 12324 indoor patients in 2010-11. 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:**

We have great pleasure to inform that your company has already set up 75 Bedded Renal Sciences Centre at heart of the city which will be fully operational by September, 2012. This is first high tech Renal Sciences Centre in the state. The Company has

already incurred Rs. 2256 Lacs to set up this Centre. After setting up the Renal Sciences Centre the total bed capacity of the Company will be increased from 225 Beds to 300 Beds. The Company will set up two satellites Dialysis centres in next 12 months at Kanpur. The Company is already in discussion with a German Company to set up 25 Dialysis Centers PAN UP. These Centers 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.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

The Ministry of Corporate Affairs (MCA) vide its circular No. 5/12/2007-CL-III dated February 8, 2011 had granted general exemption under Section 212(8) of the Companies Act, 1956 to companies from attaching the accounts of their subsidiaries in their annual reports subject to fulfillment of certain conditions prescribed. The Board of Directors of the Company at its meeting held on August 14, 2012 noted the provisions of the circular of the MCA and passed the necessary resolution granting the requisite approvals for not attaching the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and Report of the Auditors of each of the Subsidiary Companies to the accounts of the Company. A statement of summarized financials of all subsidiaries of your Company, pursuant to Section 212(8) of the Companies Act, 1956 forms part of this report. Any further information in respect of the annual report and the financial statements of the subsidiary companies of your Company will be made available to the members on request and will also be available for inspection for any member at its Registered Office. In accordance with the Accounting Standard, AS-21 issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements presented by your Company includes the financial information of all its subsidiaries.

#### **DIVIDEND**

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

#### **SUBSIDIARY COMPANY**

Your Company has one wholly owned subsidiary company viz., RHL Healthcare Private Limited as on March 31, 2012. The statement in respect of the details of the subsidiary company pursuant to Section 212 of the Companies Act, 1956, is attached to this report.

#### **DIRECTORS**

In terms of the provisions of Section 256 of the Companies Act, 1956, read with Articles of Association of the Company, Mr. Anil Kumar Khemka, 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. 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.

**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 March 31, 2012, 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 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 for the financial year.

- 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.

On behalf of the Board of Directors

(R.L. SRIVASTAVA)  
CHAIRMAN

Kanpur, August 14, 2012



## 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. In terms of hospital infrastructure and manpower, India ranks below other developing countries including China and Brazil in terms of key healthcare adequacy metrics. As per the World Health Organisation's (WHO) report on world health statistics 2012, India's healthcare industry constituted around 4.2% of GDP in 2009. The country's per capita healthcare expenditure stood at USD 124 (on a purchasing power parity basis), far behind the global median of around USD 483.

The healthcare services industry can be broadly divided into four segments: hospitals, pharmaceuticals, diagnostic centers and ancillary services such as health insurance and medical equipment and the Indian Healthcare market comprises of both the public and private sectors. The private sector in India comprises of assorted providers such as charitable trust and voluntarily organizations, commercially driven providers including corporate houses, standalone specialist services, diagnostic laboratories and pharmacies. Whereas the Indian Public healthcare is poorly funded and too small to meet the current healthcare needs of the country and facing a resource crunch resulting in their inability to maintain and upgrade their equipment and infrastructure to meet the growing demand for complex diagnostic and therapeutic treatments. As a result, there is an increasing preference for private hospitals.

Indian healthcare industry has distinct merits of clinical excellence and low costs. The health care industry in India has reported a remarkable growth rate over the last decade due to the significant growth in the country's GDP and less than commensurate capacity creation in the healthcare sector in the past. The industry also progressed in adoption of new technology and skill upgradation of Indian medical practitioners.

### 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.

As per statistics released by the Insurance Regulatory and Development Authority (IRDA), the Indian Health Insurance industry recorded 33.1% growth in health insurance premiums collected in FY11. Most non-life insurance companies recorded double-digit growth rates in the health segment. The introduction of the option of health insurance portability during the year is expected to offer more convenience to customers and make the industry more competitive. It is likely that a slew of innovative health insurance plans may be announced 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.

#### **EDUCATION AND TRAINING PROGRAMS**

We provide extensive education and training programs through Regency School of Nursing. This Nursing School offers various courses at different levels and provides training to nurses to equip them to serve in hospitals across India. Our objective in establishing, maintaining and supporting educational institutions is to promote medical and hospital management courses. Our School provides GNM courses to the student and our first batch will pass out in 2013. We will be starting new courses of Bsc Nursing and ANM this year . We have already acquired our own campus recently to conduct these courses.

#### **OPPORTUNITIES AND FUTURE PROSPECTS**

The population growth in India is expected to increase the demand for additional beds in the future. India's population is predicted to grow from approximately 1.1 billion in 2009-10 to over 1.4 billion by 2026. Further, with improving life expectancy, the proportion of the population that is above 60 years old is also expected to increase to over 12% from the current levels of around 8%. This will sharply increase the healthcare delivery needs of the country.

Due to improving socio-economic characteristics and a rise in literacy levels across the country there is growing awareness about the need for high quality preventive and curative healthcare services. This is expected to result in an increase in the hospitalization rate (percentage of people who actually visit a hospital when unwell) and demand for health care delivery services in general.

Although healthcare is largely considered a non-discretionary expense, high-quality health care facilities are unaffordable for a large percentage of the population. However, a steady increase in disposable incomes in India, it is expected to lead to higher demand for quality healthcare.

Due to changing demographics and rising incomes, there has been a change in dietary patterns and lifestyle habits of a significant percentage of the populace. This is leading to a change in the disease profile of the country with heightened incidence of lifestyle related diseases such as diabetes and hypertension. An increasing prevalence of such lifestyle diseases is expected to increase the demand for healthcare delivery and associated medical facilities. India is host to the largest diabetic population in the world, has the largest number of people suffering from cardiovascular diseases and is the global capital for cancer patients.

According to CRISIL research, over 95% of India's private healthcare expenditure is paid for by out-of-pocket expenditure or corporate healthcare plans while health insurance coverage is under 5%. As the penetration of health insurance increases, healthcare is likely to become more affordable for a larger percentage of the population. As a result, hospitalization rates and supporting clinical and diagnostic facilities are expected to increase.

Governments and patients worldwide struggle with soaring healthcare costs with financial constraints placing increased challenges on sovereign healthcare programs. As a result, there is an increasing prevalence of patients opting for medical treatment.

There is a shift in the epidemiology profile of the country with a larger proportion of lifestyle diseases such as diabetes as well as increase in heart disease and cancer. This is resulting in an increase in the average cost of treatment.



Anti-aging procedures such as neck lifts and face-lifts and liposuction procedures are some of the most sought-after cosmetic procedures in India.

The capital intensive nature of the healthcare services business coupled with increased sophistication in customer requirements are driving the emergence of innovative structures and business models in healthcare delivery. Stand-alone clinics as well as integrated healthcare delivery centres are also emerging as alternative business models in the Indian healthcare services industry.

### **THREATS AND RISK CONCERN**

In order to meet the demand for healthcare in India and improve the availability of hospital beds and doctors, infrastructure will need to be improved significantly. There is a dearth of supply of human health care resources in India as compared to global benchmarks. This translates into a critical scale-up challenge for the health care industry. Doctors, nurses and paramedical personnel and the retention of key personnel are the key enablers for the success of hospitals. In the last few years, the Government of India has taken certain initiatives to address the shortage of doctors and nurses through the relaxation of regulations and permitting private medical colleges and nursing institutions to set up facilities to ensure adequate supply of healthcare professionals. However, these are not adequate to bridge the healthcare infrastructure deficit that currently exists.

The healthcare industry is characterized by frequent product innovations and evolving technologies. The problem is compounded by the limited skill sets available in India with regard to medical devices manufacturing which necessitates imports of expensive equipments.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw material, equipment and other expenses, and pose a challenge for health care providers to manage the twin issue of sustaining margins while tackling input cost increases.

### **GROUP OVERVIEW**

We are a leading private healthcare services provider in Uttar Pradesh offering comprehensive end-to-end healthcare services. Our primary line of business is in healthcare services. To complement our primary business, we also provide 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 will be fully operational by end September, 2012.

We are primarily a tertiary hospital service provider with broad range of services including cardiology, nephrology, neurology, gastroenterology and other super specialties, laboratory services, radiology, maternity, day care, general surgery as well as diagnostic and emergency services. Medical infrastructure is the best in the Private sector in the state. In addition to excellent infrastructure, the medical equipment and technology used are the latest and are continuously upgraded. We have excellent senior medical teams who can ensure high class medical care.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company and its subsidiary believes 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 at the group 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.

#### **DISCUSSION ON FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS**

The following table present summaries of results of operations for the years ended March 31, 2011 and 2012.

(In Rs.)

<b>Particulars</b>	<b>2012</b>	<b>2011</b>
Operating Revenues	5710.25	5205.40
Add: Other Income	50.00	15.01
<b>Total Income</b>	<b>5760.25</b>	<b>5220.41</b>
Operative expenses	1228.58	1111.73
Salaries and benefits	846.86	776.13
Administration & other expenses	2575.70	2389.91
Financial expenses	328.55	291.12
Depreciation and amortization	391.99	337.23
<b>Total Expenses</b>	<b>5371.68</b>	<b>4906.12</b>
Profit before Income Tax	388.57	314.29
Tax Expense	125.81	90.86
Profit after Tax	262.76	223.42

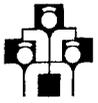
#### **REVENUES**

The 10.34% change in our operating revenues for 2012 compared to 2011 was primarily the result of an increase in occupancy and addition of latest medical equipments namely MRI etc. The company has treated 12953 indoor patients as compared to 12324 indoor patients in 2010-11.

#### **RESULTS OF OPERATIONS**

The Multi-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 Specialty business to widen its footprint in India. 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.

#### **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 Group has been involved in reversing the brain drain of talented Indian doctors 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 Membership in Board Committee)
Shri 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, 2011 to 31st March, 2012, Twelve Board Meetings were held on the following date(s) 12th May, 2011, 23rd May, 2011, 14th June, 2011, 6th August, 2011, 29th September, 2011, 29th October, 2011, 12th November, 2011, 27th January, 2012, 4th February, 2012, 7th March, 2012, 20th March, 2012 and 26th March, 2012.

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

Name of Director	No. of Board Meetings held during the year	No. of Board Meetings Attended	Whether Attended the AGM - Yes/No
Shri R.L Srivastava	12	1	No
Dr. Atul Kapoor	12	12	Yes
Dr. Rashmi Kapoor	12	12	Yes
Mr. Anil Kumar Khemka	12	11	Yes
Dr. Shyam Swarup Agarwal	12	3	No

**Committees of the Board:**

The Company has three Board Level Committees, namely :

- A) Audit Committee
- 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 September 17, 2011 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, 2011 to 31st March, 2012, Five Meetings of the Audit Committee were held on the following date(s): 12th May, 2011, 6th August, 2011, 12th November, 2011, 4th February, 2012 and 26th March, 2012. 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
Mr. Anil Kumar Khemka	Chairman	5	5
Shri R.L. Srivastava	Member	5	1
Dr. Atul Kapoor	Member	5	5
Dr. Shyam Swarup Agarwal	Member	5	5

**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.

#### **a) 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

#### **b) Meetings of the Remuneration Committee :**

One Meeting of the Remuneration Committee was held during the year from 1st April, 2011 to 31st March, 2012 on 6th August, 2011.

### **REMUNERATION OF DIRECTORS :**

Following are the details of Director's remuneration for period from 1st April, 2011 to 31st March, 2012.

**Executive Directors**

Name of Director (s)	Salary (Rs)	Commission (Rs.)	Service Contract (Tenure)	Stock option With details if any
Dr. Atul Kapoor (Managing Director)	24,00,000/-	---	Upto 31.08.2013	Nil
Dr.Rashmi Kapoor (Whole-time Director)	12,60,000/-	---	Upto 31.08.2013	Nil

**Non-Executive Directors :**

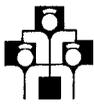
Name of Director	Sitting Fees (Rs.)	Commission (Rs)	No. of shares held as on March 31, 2012
Shri R.L Srivastava	6,500/-	-	----
Mr. Anil Kumar Khemka	56,500/-	-	----
Dr. Shyam Swarup Agarwal	20,500/-	-	----

**c) 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 share certificates, transmission of shares and other miscellaneous complaints. During the year under review, Twenty One Share Transfer & Transmission cum Investors' Grievance Committee Meetings were held on 9th April, 2011, 20th April, 2011, 30th April, 2011, 10th June, 2011, 20th June, 2011, 30th June, 2011, 9th July, 2011, 20th July, 2011, 31st July, 2011, 10th August, 2011, 20th August, 2011, 31st August, 2011, 12th September, 2011, 20th September, 2011, 30th September, 2011, 31st October, 2011, 30th November, 2011, 31st December, 2011, 31st January, 2012, 29th February, 2012, and 31st March, 2012.



**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	21	21
Dr. Atul Kapoor	Member	21	21
Dr. Rashmi Kapoor	Member	21	21
Dr. Shyam Swarup Agarwal	Member	21	-----

**d) Details of investor complaints received and redressed during the year 2011-12 are as follows:**

Opening Balance	Received during the year	Resolved during the year	Closing Balance
--	23	23	---

**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**

- Details of last three Annual General Meetings (AGM) of the Company are given below:

Financial Year	Date	Time	Venue
2008-2009	12.08.2009	10.00 A.M	A-2, Sarvodaya Nagar, Kanpur.
2009-2010	18.09.2010	10.00 A.M.	A-2, Sarvodaya Nagar, Kanpur
2010-2011	17.09.2011	11.00 A.M.	A-2, Sarvodaya Nagar, Kanpur.

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

No Extraordinary General Meeting of the members was held during the year 2011-2012.

- **Details of Special Resolutions:**

No Special Resolutions have been passed in the last three Annual General Meetings of the Company:

Through postal ballot last year (Yes / No) : No

Details of voting pattern : N.A

Person who conducted the postal ballot exercise : N.A

**VI. DISCLOSURES:**

● **Related Party Transactions:**

Related party transactions with them as required under AS-18 are furnished under Note No. 30 of the Notes of Accounts attached with the financial statements for the year ended March 31, 2012.

No Transaction of material nature has been entered into by the Company with its Promoters, the Directors of the Management, their subsidiary or relatives etc. that may have any potential conflict with the interest of the Company.

● **Compliance by the Company:**

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 SEBI or any other statutory authority.

**VII. MEANS OF COMMUNICATION :**

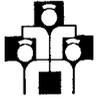
- **Financial Results :** Quarterly, half yearly and annual results of the Company are published in 'Swatantra Bharat' and 'Business Standard, Mumbai' and are displayed on the Company's website [www.regencyhospital.in](http://www.regencyhospital.in).
- **New Releases, Presentations etc :** Official news releases, detailed presentations made to media are displayed on the Company's website.
- **Website :** The Company's website [www.regencyhospital.in](http://www.regencyhospital.in). The results are also displayed on the Company's website.
- **Annual Report :** Annual Report containing inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other information circulated to members and others entitled thereto and also displayed on the Company's website.
- **Chairman's Communiqué :** Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

**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](http://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 23rd AGM	September 29, 2012 at 11:00 A.M.
Venue of 23rd AGM	A-2, Sarvodaya Nagar, Kanpur
Financial Year	April 1, 2011 to March 31, 2012
Book Closure	September 24, 2012 to September 29, 2012
Registered Office	A-2, Sarvodaya Nagar, Kanpur
Website Address	www.regencyhospital.in

● **Financial Calendar (tentative) :**

Financial Year: April 1, 2012 to March 31, 2013

Results for the quarter ending:

June 30, 2012	Last week of July
September 30, 2012	Last week of October
December 31, 2012	Last week of January
March 31, 2013	Last week of April
Annual General Meeting	August, 2013

**Listing of Equity Shares**

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

<b>Name and Address of the Stock Exchanges</b>
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 2012-13 to all Stock Exchanges where its securities are listed.

● **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:**

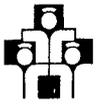
Share Transfers would be registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to the Share Transfer Committee. A summary of transfer 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 2010-11, 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:**

The Equity shares of the Company are being traded under compulsorily demat form as per SEBI notification. The



Company's shares are tradable compulsorily in electronic form and are available for trading in the depository system of both NSDL & CDSL. As on March 31, 2012, 96.44% of the Shares Capital stands dematerialized.

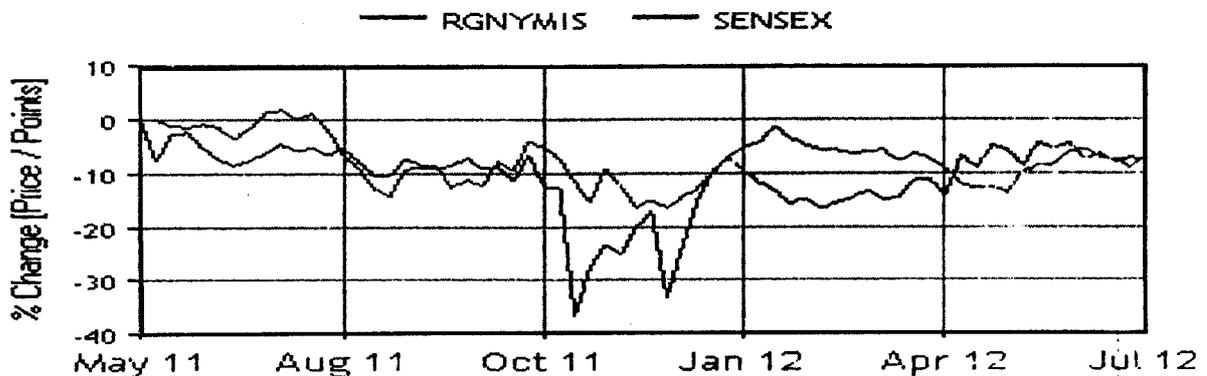
● **Market Stock Price:**

High , Low (based on closing prices) and number of shares traded during each month in the year 2011-12 on BSE Limited:

Month	Bombay Stock Exchange Limited		
	High	Low	Avg. Volume [in Nos.]
April, 2011	57.00	44.65	284716
May, 2011	58.85	45.05	617453
June, 2011	56.50	45.15	739669
July, 2011	56.00	46.20	868891
August, 2011	56.60	43.00	722744
September, 2011	52.50	44.05	643376
October, 2011	51.50	40.10	561418
November, 2011	49.50	30.20	583673
December, 2011	48.90	29.60	469506
January, 2012	57.90	35.25	39314
February, 2012	49.00	40.10	33863
March, 2012	47.00	40.75	88381

No trading recorded on the Uttar Pradesh Stock Exchange Association Limited.

● **Performance of the share price of the Company in comparison to the BSE SENSEX:**



● Distribution of Shareholding as on March 31, 2012

No. of Equity Shares Held	No. of Shareholders	Nos. % of Total	Nos. of Shares Held	Shares Held % of Total
1-5000	15888	99.54	2,46,057	2.63
5001-10000	21	0.13	16,970	0.18
10001-20000	15	0.09	25,690	0.27
20001-30000	04	0.03	9,939	0.11
30001-40000	02	0.01	7,500	0.08
40001-50000	03	0.02	15,000	0.16
50001-1,00,000	01	0.01	5,100	0.05
1,00,001 and above	28	0.18	90,32,412	96.51
<b>TOTAL</b>	<b>15,962</b>	<b>100.00</b>	<b>93,58,668</b>	<b>100.00</b>

● Shareholding pattern as on March 31, 2012

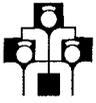
Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage (A+B+C)
<b>(A)</b>	Shareholding of promoters and Promoter Group:			
(1)	Indian	12	66,55,460	71.12
(2)	Foreign	0	0	0.00
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>12</b>	<b>66,55,460</b>	<b>71.12</b>
<b>(B)</b>	Public Shareholding:			
(1)	Institutions	12	53,320	0.57
(2)	Non Institutions	15,938	26,49,888	28.31
	<b>Total Public Shareholding</b>	<b>15,950</b>	<b>27,03,208</b>	<b>28.88</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0
	<b>TOTAL (A) + (B) + (C)</b>	<b>15,962</b>	<b>93,58,668</b>	<b>100.00</b>

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 assistance.

Tele. No. : (0512) - 2242201-10 Extn. - 358 / 359

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, 2012.

Kanpur, August 14, 2012

**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, 2012 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 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 Institute of Chartered Accountants of India we have to state that based on the report given by the Registrars of the Company to the Invertors Grievance Committee as on 31st March, 2012, 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, August 14, 2012



**CEO/CFO CERTIFICATION**

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

**Re: Financial Statements for the period ended 31st March, 2012**

**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, 2012 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 March 31, 2012 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, August 14, 2012

**(Dr. Atul Kapoor)**  
Managing Director

**(Santosh K. Gupta)**  
Chief Financial Officer

**AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

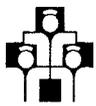
**TO THE BOARD OF DIRECTORS OF  
REGENCY HOSPITAL LIMITED**

1. We have audited the attached Consolidated Balance Sheet of **REGENCY HOSPITAL LIMITED ("the Company")**, and its subsidiary, (the Company and its subsidiary constitute "the Group") as at March 31, 2012, the Consolidated Statement of the Profit & Loss Account and the Consolidated Cash Flow Statement for year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding the components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statements, we carried out the audit of the subsidiary company. The total assets Rs.1366.22 Lacs of the subsidiary to the extent they are reflected in the consolidated financial statements. There is no revenue as the subsidiary company is not in operation.
4. We report that, the consolidated financial statements have been prepared by the Company' management in accordance with the requirements of the Accounting Standard (AS) 21, "Consolidated Financial Statements", notified by the Companies (Accounting Standards) Rules, 2006 and prescribed by the Central Government under Section 211 (3C) of the Companies Act, 1956 and other recognized accounting practices and policies.
5. We report that on the basis of the information and according to the explanations given to us , and on the consideration of separate audit report on individual audited financial statements of the Regency Hospital Limited, we are of the opinion that the said consolidated financial statements, read together with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India -
  - i) In the case of the Balance Sheet , of the state of affairs of the Company as at March 31, 2012.
  - ii) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR JAIN DHINGRA & ASSOCIATES  
Firm Registration No. 000987C  
Chartered Accountants

R. N. Dhingra  
Partner  
Membership No.15385

Kanpur, August 14, 2012



**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012**

(In Rs.)

Particulars	Note No.	AS AT March 31, 2012 (Rs.)	AS AT March 31, 2011 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	93,586,680	93,586,680
(b) Reserves and surplus	4	195,200,769	160,825,344
Minority Interest		10	
		<b>288,787,459</b>	<b>254,412,024</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	5	461,780,301	136,296,722
(b) Deferred tax liabilities (Net)	6 (a)	10,336,574	6,189,498
(c) Long-term provisions	7	4,269,000	1,858,623
<b>Current liabilities</b>			
(a) Short-term borrowings	8	112,221,285	46,238,656
(b) Trade payables		4,367,101	3,522,667
(c) Other current liabilities	9	63,248,777	49,739,573
(d) Short-term provisions	10	6,797,067	4,605,740
<b>TOTAL</b>		<b>951,807,564</b>	<b>502,863,503</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		390,600,866	340,995,187
(ii) Intangible assets		33,684	-
(iii) Capital work-in-progress		290,720,355	-
(b) Deferred tax assets (net)	6 (b)	12,661,700	21,096,019
(c) Long-term loans and advances	12	73,175,030	18,105,523
(d) Other non-current assets		-	-
(e) Goodwill on Consolidation		8,100,000	-
<b>Current Assets</b>			
(a) Inventories	13	28,341,353	21,769,409
(b) Trade receivables	14	119,955,459	75,580,620
(c) Cash and cash equivalents	15	16,894,669	7,662,794
(d) Short-term loans and advances	16	9,015,129	16,362,397
(e) Other current assets	17	2,309,319	1,291,554
<b>TOTAL</b>		<b>951,807,564</b>	<b>502,863,503</b>
<b>III. Notes Forming Part of the Consolidated Financial Statements</b>		<b>1 - 37</b>	

(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

**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

Kanpur, August 14, 2012

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2012** (In Rs.)

Particulars	Note No.	Figures as at the end of March 31, 2012	Figures as at the end of March 31, 2011
I. Revenue from operations	18	571,025,374	520,539,710
II. Other Income	19	4,999,953	1,501,232
III. Changes in inventories of Stock-in-Trade	20	4,680,789	4,128,484
<b>Total Revenue (I +II+III)</b>		<b>580,706,116</b>	<b>526,169,426</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	21	34,658,281	32,091,260
Purchase of Stock-in-Trade	22	92,880,764	83,210,484
Employee benefit expense	23	84,685,758	77,613,208
Financial costs	24	32,855,440	29,111,619
Depreciation and amortization expense	11	39,198,874	33,723,237
Other expenses	25	257,570,179	238,990,993
<b>Total Expenses</b>		<b>541,849,296</b>	<b>494,740,801</b>
<b>V. Profit Before Tax</b>		<b>38,856,820</b>	<b>31,428,625</b>
<b>VI. Tax expense:</b>			
(a) Current tax(MAT)		7,774,382	6,263,882
(b) Less : MAT Credit Entitlement		7,774,382	6,263,882
(c) Net Current Tax		-	-
(d) Deferred Tax		12,581,395	9,086,474
<b>VII. PROFIT FOR THE YEAR</b>		<b>26,275,425</b>	<b>22,342,151</b>
<b>VIII Earning per equity share:</b>	29		
(1) Basic		2.81	2.39
(2) Diluted		2.81	2.39
<b>IX. Notes Forming Part of the Consolidated Financial Statements</b>		<b>1-37</b>	

(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, August 14, 2012

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



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(In Rs.)

Particulars	2012		2011	
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit Before Tax as per Statement of Profit & Loss		38,856,820		31,428,625
<b>Add/(Deduct):</b>				
Depreciation		39,198,874		33,723,237
Preliminary Expenditure w/o		-		14,761
Interest & Financial Charges		32,855,440		29,111,619
Loss on Sale of Assets (Net)		111,946		-
MAT Credit		7,774,382		6,263,882
<b>Operating Profit before Working Capital Changes</b>		<b>118,797,462</b>		<b>100,542,124</b>
<b>Add/(Deduct):</b>				
Inventories		(6,571,943)		(2,946,923)
Trade Receivables		(44,374,840)		(11,669,233)
Long Term and Short Loans & Advances and other assets		(48,740,005)		(6,316,424)
Trade Payables other Liabilities and provisions		10,232,267		(8,784,882)
<b>Cash Inflow from Operations</b>		<b>29,342,941</b>		<b>70,824,662</b>
Interest Paid		32,855,440		29,111,619
Taxation		7,774,382		6,263,882
<b>Net Cash inflow Operating Activities</b>		<b>(11,286,881)</b>		<b>35,449,161</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
<b>Inflow:</b>				
Sale of Fixed Assets	430,000		0	
<b>Outflow:</b>				
Purchase of Fixed Assets	380,066,855		51,740,809	
Increase in Intangible Assets	8,133,684	387,770,539	0	51,740,809
<b>Net Cash used in Investing Activities</b>		<b>387,770,539</b>		<b>51,740,809</b>
		<b>(399,057,420)</b>		<b>(16,291,648)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Issue of shares to Minority Shareholders	10			
Proceeds from term Loans	242,830,046		(15,181,603)	
Proceeds from Security Premium	8,100,000			
Proceeds from Other Borrowings	157,359,239		32,631,495	
Net Cash from Financing Activities		408,289,295		17,449,892
<b>Net Increase /(decrease) in Cash &amp; Cash Equivalent</b>		<b>9,231,875</b>		<b>1,158,244</b>
Cash & Cash Equivalent as at 01.04.2011		7,662,794		6,504,550
Less :Cash or Cash equivalent as at 31.03.2012		16,894,669		7,662,794
<b>Net Increase /(decrease) in Cash &amp; Cash Equivalent</b>		<b>9,231,875</b>		<b>1,158,244</b>
<b>IV. Notes Forming Part of the Consolidated Financial Statements</b>		<b>1-37</b>		

(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, August 14, 2012

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 CONSOLIDATED FINANCIAL STATEMENTS**

**1. Corporate Information:**

Regency Hospital Limited ("the Company") and its subsidiary (collectively referred to as the "Group") provide tertiary care medical services.

**2. SIGNIFICANT ACCOUNTING POLICIES :**

**a) Basis of accounting and preparation of Financial Statements :**

- i) The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the Company, namely March 31, 2012.
- ii) 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:**

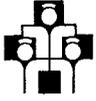
The preparation of Financial Statement in conformity with the Accounting Standards generally accepted in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial 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) Principles of Consolidation:**

- i) The financial statements of the Company and its subsidiary have been consolidated in accordance with the Accounting Standard 21 (AS 21) "Consolidated Financial Statements", on line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and the unrealized profits /losses. Reference in these notes to Company, Holding Company, Companies or Group shall mean to include Regency Hospital Limited, or any of its subsidiaries, unless otherwise stated.
- ii) The financial statements of the Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances.
- iii) The excess of cost to the Company of its investment in the subsidiary, on the acquisition dates over and above the Company's share of equity in the subsidiary, is recognised in the financial statements as Goodwill on Consolidation and carried forward in the accounts. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

**iv) Minority Interest in the net assets of the consolidated subsidiary consist of:**

- a) The amount of equity attributable to minorities as at the date on which the investment in a subsidiary is made and,
- b) The Minorities share of movements in equity since the date the parent-subsiary relationship came into existence. There are no losses to the minority shareholders as on the date of the Balance sheet since the subsidiary has not started its operation as on the date of Balance sheet.



- c) Minority Interest is presented separately from the liabilities or assets and the equity of the shareholders in the consolidated Balance Sheet. Minority Interest in the income or loss of the Company is separately presented.
- d) 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.
- 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 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 advance 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 Para46A 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 2012.
- (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 liabilities are disclosed as unallocable.

The Company has disclosed this Segment Reporting in Consolidated 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 earnings 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 earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings 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 forming part of Consolidated Financial Statements**

**Note 3 : SHARE CAPITAL**

( in Rs)

Particulars	As at March 31,2012	As at March 31, 2011
<b>Authorised</b> 11400000(2010-11:11400000) Equity Shares of Rs10/-Each	114,000,000	114,000,000
<b>Issued Subscribed &amp; Fully Paid up</b> 9358668(2010-11:11400000) Equity Shares of Rs10/-Each Fully paid up	93,586,680	93,586,680
<b>TOTAL</b>	<b>93,586,680</b>	<b>93,586,680</b>

**Reconciliation of Number of Shares**

Particulars	As at March 31,2012		As at March31, 2011	
	Number	Amount Rs	Number	Amount Rs
Equity Shares				
Shares outstanding at the beginning of the year	9358668	93586680	9358668	93586680
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	9358668	93586680	9358668	93586680

**Shares held by the holding Company,its subsidiary and associates**

Particulars	As at March 31, 2012	As at March 31, 2011
Equity	NIL	NIL

**Shareholders holding more than 5% of total paid up capital**

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	Equity Shares held	No. of % of Holding	Equity Shares held	No. of % of Holding
Dr Atul Kapoor	1598863	17.08	1598863	17.08
Atul Kapoor(HUF)	1182523	12.64	1182523	12.64
Dr Rashmi Kapoor	2057953	21.99	2057953	21.99
Asha Kapoor	656666	7.02	656666	7.02
Soni Kapoor	649210	6.94	649210	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 forming part of Consolidated Financial Statements

## Note 4 : RESERVE AND SURPLUS

( in Rs)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a Capital Reserves</b>	4,580,491	4,580,491
	<b>4,580,491</b>	<b>4,580,491</b>
<b>b Securities Premium Account</b>		
Opening Balance	9,971,000	9,971,000
Add: Transferred from statement of Profit & Loss	8,100,000	-
Closing Balance	<b>18,071,000</b>	<b>9,971,000</b>
		-
<b>c General Reserve</b>		
Opening Balance	64,159,609	64,159,610
Add: Transferred from statement of Profit & Loss	50,000,000	-
Closing Balance	<b>114,159,609</b>	<b>64,159,610</b>
<b>d Surplus in Statement of Profit and loss</b>		
Opening balance	82,114,244	59,772,092
Add: Net Profit for the current year	26,275,425	22,342,151
	108,389,669	82,114,243
Less: Appropriations:		
(a) Proposed Dividends		-
(b) Transfer to General Reserves	50,000,000	-
Closing Balance	58,389,669	82,114,243
<b>Total</b>	<b>195,200,769</b>	<b>160,825,344</b>

## Note 5 : LONG TERM BORROWINGS

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(a) Secured Loans</b>		
<b>(i) Term loans</b>	238,501,215	40,469,047
(Secured Loans from Banks are secured against movable and immovable fixed assets of the Co. and personal guarantee of promoters directors )		
<b>(ii) Foreign Buyer Credit from Bank</b>	36,274,802	-
(Foreign Buyer Credit from Bank is secured against movable and immovable fixed assets of the Company and personal guarantee of promoters directors and payable after three years)		
	<b>274,776,017</b>	<b>40,469,047</b>
<b>(b) Unsecured</b>		
(i) Loans and advances from related parties	159,204,284	41,758,515
(ii) Others	27,800,000	54,069,160
	<b>187,004,284</b>	<b>95,827,675</b>
<b>Total</b>	<b>461,780,301</b>	<b>136,296,722</b>



Notes forming part of Consolidated Financial Statements

Note 6 : DEFERRED TAX BALANCES

Particulars	Deferred Tax Liability as at March 31, 2011	Current Year charge / (Credit)	Deferred Tax Liability as at March 31, 2012
<b>(a) Deferred Tax Liabilities (Net)</b>			
Depreciation and amortisation	6,189,498	4,147,076	10,336,574
<b>Total</b>	<b>6,189,498</b>	<b>4,147,076</b>	<b>10,336,574</b>
<b>(b) Deferred Tax Assets (Net)</b>			
Depreciation and amortisation	20,361,782	(9,197,786)	11,163,996
Employee benefits	734,237	763,467	1,497,704
<b>Total</b>	<b>21,096,019</b>	<b>(8,434,319)</b>	<b>12,661,700</b>

Note 7 : LONG TERM PROVISIONS

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits	4,269,000	1,858,623
<b>Total</b>	<b>4,269,000</b>	<b>1,858,623</b>
Provision for employee benefits includes provision for gratuity and other retirement benefits		

Note 8 : SHORT TERM BORROWINGS

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Secured loans</b>		
Loans repayable on demand from Bank	112,221,285	46,238,656
<b>Total</b>	<b>112,221,285</b>	<b>46,238,656</b>
(Secured from banks are secured against of Stock & Book Debts and personal guarantee of Directors)		

Note 9 : OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Other Current Liabilities</b>		
(a) Current Maturities of Long term Debt	57,896,567	49,373,491
(b) Other payables	5,352,210	366,082
<b>Total</b>	<b>63,248,777</b>	<b>49,739,573</b>

Note 10 : SHORT TERM PROVISIONS

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Short Term Provisions</b>		
(a) Provision for employee benefits	5,808,494	4,605,740
(b) Others :		
Current Income Tax (Net)	988,573	-
<b>Total</b>	<b>6,797,067</b>	<b>4,605,740</b>

## Note - 11 Fixed Assets

Description	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at April, 1, 2011	Additions during the year	Deletions/ Adjustment	Balance as at March 31, 2012	Balance as at April, 1, 2011	Depreciation charge for the year	On disposals for the year	Balance as at March 31, 2012	Balance as at March 31, 2011
(i) Tangible Assets									
Leasehold Land	37,878,160	-	0	37,878,160	111,237	-	0	37,766,923	37,766,923
Building	127,707,376	7,150,047	0	134,857,423	31,152,216	3,438,978	0	100,266,230	96,555,161
Plant & Equipments	458,418,641	73,222,325	0	531,307,965	278,982,881	32,030,741	0	220,294,343	179,435,760
Computer	5,162,173	1,143,881	0	6,306,054	4,964,909	919,663	0	421,462	197,264
Office equipment	1,895,848	117,530	0	2,013,378	731,798	93,340	0	1,188,240	1,164,050
Electrical Equipments	17,090,275	1,545,168	333,000	18,635,443	3,180,094	853,279	117,715	14,719,785	13,910,181
Furniture & Fixture	11,111,943	1,706,397	0	12,818,341	4,826,161	778,238	0	7,213,941	6,285,782
Vehicles	8,157,438	4,461,152	756,622	11,861,998	2,477,372	1,084,615	429,961	8,729,942	5,680,066
<b>Total</b>	<b>667,421,854</b>	<b>89,346,500</b>	<b>1,089,622</b>	<b>755,678,732</b>	<b>326,426,668</b>	<b>39,198,874</b>	<b>547,676</b>	<b>390,600,866</b>	<b>340,995,187</b>
Previous Year	615681045	51740809	0	667421854	292703430	33723237	0	340995187	
(ii) Intangible Assets									
Preliminary Expenses	-	33,684	-	33,684	-	-	-	33,684	-
<b>Total</b>	<b>-</b>	<b>33,684</b>	<b>-</b>	<b>33,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,684</b>	<b>-</b>
(iii) Capital Work In Progress									
Capital Work In Progress	-	-	-	-	-	-	-	290,720,355	-
<b>Total</b>	<b>-</b>	<b>33,684</b>	<b>-</b>	<b>33,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,684</b>	<b>-</b>
<b>Grand Total</b>	<b>667,421,854</b>	<b>89,413,868</b>	<b>1,089,622</b>	<b>755,746,100</b>	<b>326,426,668</b>	<b>39,198,874</b>	<b>547,676</b>	<b>390,668,234</b>	<b>340,995,187</b>



Notes forming part of Consolidated Financial Statements

Note 12 : LONG TERM LOANS AND ADVANCES (Unsecured)

(In Rs.)

Particulars	AS AT March 31,2012	AS AT March 31,2011
<b>Considered Good:</b>		
(a) Security Deposits	7,239,637	6,542,128
(b) Mat Credit Receivables	19,609,466	11,160,605
(c) Capital Advance	46,298,884	0
(d) Interest Accrued	27,043	402,790
<b>Total</b>	<b>73,175,030</b>	<b>18,105,523</b>

NOTE 13 : INVENTORIES

Particulars	AS AT March 31,2012	AS AT March 31,2011
(a) Medicines (valued at cost)	5,586,532	5,279,732
(b) Stores and Spares (valued at cost)	845,274	606,303
(c) Surgical consumable/implants(valued at Cost)	19,505,842	14,483,374
(d) Other Consumables (Valued at cost)	2,403,705	1,400,000
<b>Total</b>	<b>28,341,353</b>	<b>21,769,409</b>

Note 14 : TRADE RECEIVABLES

Particulars	AS AT March 31,2012	AS AT March 31,2011
(a) Secured, considered good Trade receivables outstanding for a period less than six months from the date they are due for payment	119,955,459	75,580,620
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
<b>Total</b>	<b>119,955,459</b>	<b>75,580,620</b>

## Notes forming part of Consolidated Financial Statements

## Note 15 : CASH &amp; CASH EQUIVALENTS

(In Rs.)

Particulars	AS AT March 31,2012	AS AT March 31,2011
(a) Balances with banks*		
Current Accounts	11,365,074	5,902,484
Deposit Account	832,308	1,488,907
(b) Cash on hand	4,697,287	271,403
<b>Total</b>	<b>16,894,669</b>	<b>7,662,794</b>
The Company's Fixed deposit receipts amounting to Rs.8.32 Lacs ( Rs14.89 Lacs ) are under lien with bankers for obtaining Bank Guarantee		

## Note 16 : Short-term loans and advances(Unsecured)

Particulars	AS AT March 31,2012	AS AT March 31,2011
<b>Considered Good :</b>		
(a) Loans and Advances to Employees	2,094,732	2,139,432
(b) Income Tax Refund Due	3,038,344	4,486,988
(c) Other Loans & Advances	3,882,053	9,735,977
<b>Total</b>	<b>9,015,129</b>	<b>16,362,397</b>

## Note 17 : Other Current Assets

Particulars	AS AT March 31,2012	AS AT March 31,2011
Prepaid Expenses	2,309,319	1,291,554
<b>Total</b>	<b>2,309,319</b>	<b>1,291,554</b>



Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

(In Rs.)

Note 18 : REVENUE FROM OPERATIONS

PARTICULARS	FY-2011-2012	FY-2010-2011
Revenue from Healthcare Services	426,239,378	397,706,247
Revenue from Pharmacy & Surgical Sales	139,752,696	120,287,263
Nursing College	5,033,300	2,546,200
<b>Total</b>	<b>571,025,374</b>	<b>520,539,710</b>

Note 19 : OTHER INCOME

PARTICULARS	FY-2011-2012	FY-2010-2011
Interest Receipts	705,975	129,469
Rent Receipts	874,800	943,139
Profit on sale of Assets	-	-
Other Income	3,419,178	428,624
<b>Total</b>	<b>4,999,953</b>	<b>1,501,232</b>

Note 20 : CHANGES IN INVENTORIES OF STOCK IN TRADE

PARTICULARS	FY-2011-2012	FY-2010-2011
Opening Stock in trade	17,545,820	13,417,336
Less: Closing Stock in trade	22,226,609	17,545,820
<b>Total</b>	<b>4,680,789</b>	<b>4,128,484</b>

Note 21 : COST OF MATERIALS CONSUMED

PARTICULARS	FY-2011-2012	FY-2010-2011
<b>Indigenous Materials:</b>		
Surgical	11,491,927	9,305,982
Stores Consumable	23,166,354	22,785,278
<b>Total Consumption of Materials</b> (Consumption relates to items used for healthcare services only)	<b>34,658,281</b>	<b>32,091,260</b>

Note 22 : PURCHASE OF STOCK IN TRADE

PARTICULARS	FY-2011-2012	FY-2010-2011
Indigenous Materials		
Pharmacy	54,599,446	52,870,546
Surgical	38,281,318	30,339,938
<b>Total</b>	<b>92,880,764</b>	<b>83,210,484</b>

**Consolidated Statement of Profit and Loss for the year ended 31st March, 2012**

**Note: 23 EMPLOYEE BENEFITS EXPENSE**

(In Rs.)

Particulars	FY-2011-2012	FY-2010-2011
Salaries and incentives to employees	76,181,914	74,407,571
Contribution to Provident Fund	581,043	377,593
Gratuity	2,410,377	807,011
Staff Welfare Expenses	464,987	1,669,265
Bonus and Exgratia	862,548	351,768
<b>TOTAL</b>	<b>84,685,758</b>	<b>77,613,208</b>

**Note 24 : FINANCE COSTS**

Particulars	FY-2011-2012	FY-2010-2011
Interest Expense	31,247,433	27,500,282
Bank and other Charges	1,608,007	1,611,337
<b>SUB TOTAL</b>	<b>32,855,440</b>	<b>29,111,619</b>

**Note 25 : Other Expenses**

Particulars	FY-2011-2012	FY-2010-2011
Payment of Doctor Fee	172,685,178	154,990,342
Power & Fuel	17,568,447	16,133,563
House Keeping Expenses	11,341,228	10,606,771
Rates & Taxes excluding taxes on income	10,223,837	12,082,072
Rent	4,353,652	1,816,368
Repair to Building	1,553,521	1,248,356
Repair to Machinery	7,397,683	6,318,715
Repair to Vehicles	795,184	746,308
Office Maintenance & Others	5,294,793	5,357,053
Insurance	533,579	500,979
Printing & Stationery	3,837,060	3,921,028
Director Sitting Fees	81,000	131,500
Managerial Remuneration	3,660,000	3,240,000
Advertisement, Publicity & Marketing	1,628,329	1,126,223
Travelling & Conveyance	2,855,752	3,118,623
Subscriptions	233,850	160,544
Security Charges	3,490,352	2,488,724
Legal & Professional Fees	4,300,187	5,799,176
Lease Charges	2,784,884	6,583,068
Telephone Expenses	1,291,600	1,487,202
Donations	349,280	307,000
Auditors Remuneration	168,540	110,300
Miscellaneous Expenses	1,030,297	717,078
Loss on sale of Assets(Net)	111,946	0.00
<b>Total</b>	<b>257,570,179</b>	<b>238,990,993</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 26 :** The Consolidated Financial Statements present the consolidated accounts of Regency Hospital Limited ("the Company") and the following subsidiaries and associates ("the Group"):

Name of Entities	Country of Incorporation	Proportion of Ownership Interest
Subsidiaries		
RHL Healthcare Private Limited	India	100

**Note 27 : Retirement Benefit Plans:**

**i) 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. 5,81,043/- (March 31, 2011, Rs.3,77,593/-) 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.

**ii) 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 March 31, 2012.

The disclosure in respect of defined benefit gratuity plan is based on report given by actuary as on March 31, 2012.

Particulars	Year ended March 31, 2012
<b>Change in present value of obligation:</b>	
Present value of obligation at the beginning of the year	18,58,623
Interest cost 1,61,700	
Current service cost	8,90,000
Actuarial Losses/ (Gains)	13,58,677
Benefits paid Nil	
<b>Present value of Obligation at the close of the year</b>	<b>42,69,000</b>
<b>Amounts recognised in the statement of Profit and Loss:</b>	
Current Service Cost	8,90,000
Interest Cost 1,61,700	
Expected Return on plan assets	Nil
Actuarial Losses	13,58,677
Expenses recognised	
<b>Actuarial Assumptions at the Balance Sheet date:</b>	
Discount Rate	8.70%
Salary Escalation	10%
Mortality Rate	LIC (1994-1996) Ultimate

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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 28 : Segment Reporting:**

(In Rs.)

	2011-12			2010-11		
	Hospital	Nursing College	Total	Hospital	Nursing College	Total
<b>(A) INFORMATION IN RESPECT OF PRIMARY SEGMENT</b>						
<b>(I) Segment Revenue</b>						
Operating Income	56,59,92,374	50,33,000	57,10,25,374	51,79,93,510	25,46,200	52,05,39,710
<b>Total Segment Revenue</b>	<b>56,59,92,374</b>	<b>50,33,000</b>	<b>57,10,25,374</b>	<b>51,79,93,510</b>	<b>25,46,200</b>	<b>52,05,39,710</b>
<b>(II) Segment Results</b>						
Profit (+) / Loss (-)						
Before Tax and Interest	10,47,43,014	11,68,167	10,59,11,181	9,49,65,474	(22,03,224)	9,27,62,250
Less:						
Unallocable Expenditure Net of Unallocable Income			3,41,98,921			3,22,22,005
Interest			3,28,55,440			2,91,11,619
Tax Expense			1,25,81,395			90,86,474
Profit After Tax			2,62,75,425			2,23,42,151
<b>III) Other Information:</b>						
(a) Segment Assets	92,68,50,443	64,86,864	93,33,37,307	49,38,76,124	27,97,881	49,66,74,005
Unallocated Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>92,68,50,443</b>	<b>64,86,864</b>	<b>93,33,37,307</b>	<b>49,38,76,124</b>	<b>27,97,881</b>	<b>49,66,74,005</b>
(b) Segment Liabilities	65,26,83,532	-	65,26,83,532	24,22,36,980	25,000	24,22,61,980
Unallocated Liabilities	-	-	-	-	-	-
	65,26,83,532	-	65,26,83,532	24,22,36,980	25,000	24,22,61,980
(c) Capital Expenditure	37,87,12,570	13,87,969	38,01,00,539	5,03,96,840	13,43,969	5,17,40,809
Depreciation	3,90,93,175	1,05,699	3,91,98,874	3,36,30,016	93,221	3,37,23,237
Unallocated Depreciation / Amortisation	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>3,90,93,175</b>	<b>1,05,699</b>	<b>3,91,98,874</b>	<b>3,36,30,016</b>	<b>93,221</b>	<b>3,37,23,237</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**Note 29: Earning Per Share (EPS):**

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

(In Rs.)

Particulars	March 31, 2012	March 31, 2011
Net Profit/ (Loss) for the Year	26,275,425	2,23,42,151
Weighted average number of Equity Shares	9,358,668	93,58,668
Basic Earning per share (in Rs.)	2.81	2.39
Diluted Earning per share (In Rs.)	2.81	2.39

**Note 30 : Contingent Liability**

Particulars	As at March 31, 2012	As at March 31, 2011
Disputed demand of Customs Department (under appeal). The Company has filed an appeal to High Court of Judicature at Allahabad.	38,45,00,000	38,45,00,000
Estimated amount of contract not executed on Capital Account not provided for (Net of Advances)	1,43,50,000	14,00,00,000
Bank Guarantee furnished to Director, CGHS for treatment of their employees.	10,00,000	60,00,000
Foreign Letter of Credit for import of Medical Equipment's	18,32,524 (EURO27000) 63,40,713 (USD124630)	3,16,42,973 (US\$ 713,000)

**Note 31: Related Party Disclosures**

Name of Person	Relation with Company	Description of transactions during the year	2011-12	2010-11
Mr. A.R.Kapoor	Relative of Managing	Remuneration	1,80,000	1,80,000
	Director	Land Rent	8,38,923	7,62,660
Dr.Atul Kapoor	Managing Director	Remuneration	24,00,000	19,80,000
Dr.Rashmi Kapoor	Whole Time Director	Remuneration	12,60,000	12,60,000
Smt.Soni Kapoor	Relative of Managing Director	Interest	13,87,688	9,43,750

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 32 : Remuneration to Auditors (excluding service tax):

(In Rs.)

Particulars	2011-2012	2010-2011
a) Audit Fees	115,000	75,000
b) Tax Audit Fees	25,000	15,000
c) Other Professional Matters	25,000	10,000

## Note 33: 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 October 2, 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 34 : 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 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 35 : Value of Imports calculated on CIF basis :

Particulars	2011-2012	2010-2011
a) Raw Materials	0	0
b) Capital Goods	3,99,61,924	0
c) Stores and spare parts	0	0

Note 36 : Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Group financial statements.

Note 37 : These financial statements have been prepared in the format prescribed by the revised Schedule VI to the Companies Act, 1956. Previous period figures have been recasted /restated to confirm to the classification of the current period.



**AUDITORS' REPORT**

To The Members of  
Regency Hospital Limited,

1. We have audited the attached Balance Sheet of **REGENCY HOSPITAL LIMITED** ("Company") as at March 31, 2012, the Statement of Profit & Loss Account and Cash Flow Statement of the Company for year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 March 31, 2012 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.
  - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
  - ii) In the case of Statement Profit & Loss Account, of the Profit of the Company for the year ended on that date;
  - iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

FOR JAIN DHINGRA & ASSOCIATES  
Firm Registration No. 000987C  
Chartered Accountants

R. N. Dhingra  
Partner

Kanpur, August 14, 2012

Membership No.15385

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 3 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. A Major portion of the assets has 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.
- b. Based on our scrutiny of records of the Company and the information and explanations received by us, we report there was no major 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.
- c. The Company has not disposed off its any substantial fixed assets during the year.

**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. 1256.49 Lacs from 8 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 March 31, 2012 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 Dues	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 March 31, 2012 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.

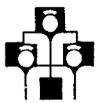
- xiii. The Provisions of special statute applicable to Chit Fund or a Nidhi Mutual benefit fund / Society are not applicable to the Company
- xiv. In our opinion Company is not dealer or trader in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanations given to us, having regard to the fact that the subsidiary is wholly owned the terms and conditions of the guarantee given by the Company for loan taken by the subsidiary from a bank 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 not issued any debentures during year.
- 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  
Firm Registration No. 000987C  
Chartered Accountants

R. N. Dhingra  
Partner

Membership No.15385

Kanpur, August 14, 2012



**BALANCE SHEET AS AT 31ST MARCH 2012**

(In Rs.)

Particulars	Note No.	AS AT March 31, 2012 (Rs.)	AS AT March 31, 2011 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	93,586,680	93,586,680
(b) Reserves and surplus	4	187,100,769	160,825,344
		<b>280,687,449</b>	<b>254,412,024</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	5	352,174,839	136,296,722
(b) Deferred tax liabilities (Net)	6(a)	10,336,574	6,189,498
(c) Long-term provisions	7	4,269,000	1,858,623
<b>Current liabilities</b>			
(a) Short-term borrowings	8	112,221,285	46,238,656
(b) Trade payables		4,367,101	3,522,667
(c) Other current liabilities	9	63,231,923	49,739,573
(d) Short-term provisions	10	6,797,067	4,605,740
<b>TOTAL</b>		<b>834,085,238</b>	<b>502,863,503</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		390,600,866	340,995,187
(ii) Capital work-in-progress		194,739,364	0
(b) Non-current investments	12	9,099,990	0
(c) Deferred tax assets (net)	6(b)	12,661,700	21,096,019
(d) Long-term loans and advances	13	51,075,030	18,105,523
<b>Current assets</b>			
(a) Inventories	14	28,341,353	21,769,409
(b) Trade receivables	15	119,955,459	75,580,620
(c) Cash and cash equivalents	16	16,287,028	7,662,794
(d) Short-term loans and advances	17	9,015,129	16,362,397
(e) Other current assets	18	2,309,319	1,291,554
<b>TOTAL</b>		<b>834,085,238</b>	<b>502,863,503</b>
<b>III. Notes Forming Part of the Financial Statements</b>		<b>1 - 37</b>	

(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, August 14, 2012

**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, 2012

(In Rs.)

Particulars	Note No.	Figures as at the end of March 31, 2012	Figures as at the end of March 31, 2011
I. Revenue from operations	19	571,025,374	520,539,710
II. Other Income	20	4,999,953	1,501,232
III. Changes in inventories of Stock-in-Trade	21	4,680,789	4,128,484
<b>Total Revenue (I +II+III)</b>		<b>580,706,116</b>	<b>526,169,426</b>
IV. Expenses:			
Cost of materials consumed	22	34,658,281	32,091,260
Purchase of Stock-in-Trade	23	92,880,764	83,210,484
Employee benefit expense	24	84,685,758	77,613,208
Financial costs	25	32,855,440	29,111,619
Depreciation and amortization expense	11	39,198,874	33,723,237
Other expenses	26	257,570,179	238,990,993
<b>Total Expenses</b>		<b>541,849,296</b>	<b>494,740,801</b>
V. <b>Profit Before Tax</b>		<b>38,856,820</b>	<b>31,428,625</b>
VI. Tax expense:			
(a) Current tax(MAT)		7,774,382	6,263,882
(b) Less : MAT Credit Entitlement		7,774,382	6,263,882
(c) Net Current Tax		0	0
(d) Deferred Tax		12,581,395	9,086,474
VII <b>PROFIT FOR THE YEAR</b>		<b>26,275,425</b>	<b>22,342,151</b>
VIII Earning per equity share:	29		
(1) Basic		2.81	2.39
(2) Diluted		2.81	2.39
<b>IX Notes Forming Part of the Financial Statements</b>		<b>1-37</b>	

(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, August 14, 2012

**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, 2012

(in Rs.)

Particulars	2012	2011
<b>I. Net Profit Before Tax as per Statement of Profit &amp; Loss</b>	<b>38,856,820</b>	<b>31,428,625</b>
<b>Add/(Deduct):</b>		
Depreciation	39,198,874	33,723,237
Preliminary Expenditure w/o	-	14,761
Interest & Financial Charges	32,855,440	29,111,619
Loss on Sale of Assets (Net)	111,946	-
MAT Credit	7,774,382	6,263,882
<b>Operating Profit before Working Capital Changes</b>	<b>118,797,462</b>	<b>100,542,124</b>
<b>Add/(Deduct):</b>		
Inventories	(6,571,943)	(2,946,923)
Trade Receivables	(44,374,840)	(11,669,233)
Long Term and Short Loans & Advances and other assets	(26,640,005)	(6,316,424)
Trade Payables other Liabilities and provisions	10,215,413	(8,784,882)
<b>Cash Inflow from Operations</b>	<b>51,426,087</b>	<b>70,824,662</b>
Interest Paid	32,855,440	29,111,619
Taxation	7,774,382	6,263,882
<b>Net Cash inflow Operating Activities</b>	<b>(10,796,265)</b>	<b>35,449,161</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Inflow:</b>		
<b>Sale of Fixed Assets</b>	430,000	0
<b>Outflow:</b>		
Purchase of Fixed Assets	284,085,864	51,740,809
Purchase of Investment	9,099,990	0
<b>Net Cash used in Investing Activities</b>	<b>292,755,854</b>	<b>51,740,809</b>
	<b>(281,959,589)</b>	<b>(16,291,648)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from term Loans	166,779,921	(15,181,603)
Proceeds from Other Borrowings	123,803,902	32,631,495
<b>Net Cash from Financing Activities</b>	<b>290,583,823</b>	<b>17,449,892</b>
<b>Net Increase /(decrease) in Cash &amp; Cash Equivalent</b>	<b>8,624,234</b>	<b>1,158,244</b>
Cash & Cash Equivalent as at 01.04.2011	7,662,794	6,504,550
Less :Cash or Cash equivalent as at 31.03.2012	16,287,028	7,662,794
<b>Net Increase /(decrease) in Cash &amp; Cash Equivalent</b>	<b>8,624,234</b>	<b>1,158,244</b>
<b>IV. Notes Forming Part of the Financial Statements</b>	<b>1-37</b>	

(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, August 14, 2012

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

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1. Corporate Information:**

Regency Hospital Limited ("the Company") and its wholly owned subsidiary RHL Healthcare Private Limited (collectively referred to as the "Group") provide tertiary care medical services.

**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 subsidiary 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 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 advance 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 Act, 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 Para46A 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 2012.

(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 liabilities are disclosed as unallocable.

The Company has disclosed this Segment Reporting in Consolidated 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 earnings 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 earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings 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 forming part of the Financial Statements

Note: 3 SHARE CAPITAL

( in Rs)

PARTICULARS	AS AT March,31,2012	AS AT March,31,2011
<b>Authorised</b> 11400000(2010-11:11400000) Equity Shares of Rs10/-Each	114,000,000	114,000,000
<b>Issued Subscribed &amp; Fully Paid up</b> 9358668(2010-11:11400000) Equity Shares of Rs10/-Each Fully paid up	93,586,680	93,586,680
<b>TOTAL</b>	<b>93,586,680</b>	<b>93,586,680</b>

Reconciliation of Number of Shares

( in Rs)

Particulars	As at March 31,2012		As at March31, 2011	
	Number	Amount (Rs)	Number	Amount (Rs)
Equity Shares				
Shares outstanding at the beginning of the year	9358668	93586680	9358668	93586680
Shares Issued during the year	0	0	0	0
Shares bought back during the year	0	0	0	0
Shares outstanding at the end of the year	9358668	93586680	9358668	93586680

Shares held by the holding Company,its subsidiaries and associates

Particulars	As at March 31, 2012	As at March 31, 2011
Equity	NIL	NIL

Shareholders holding more than 5% of total paid up capital

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Dr Atul Kapoor	1598863	17.08	1598863	17.08
Atul Kapoor(HUF)	1182523	12.64	1182523	12.64
Dr Rashmi Kapoor	2057953	21.99	2057953	21.99
Asha Kapoor	656666	7.02	656666	7.02
Soni Kapoor	649210	6.94	649210	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 liquidiation 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 forming part of the Financial Statements

## Note 4 : Reserve and Surplus

(In Rs.)

Particulars	As at March 31, 2012	As at March 31, 2011
<b>a Capital Reserves</b>	4,580,491 <b>4,580,491</b>	4,580,491 <b>4,580,491</b>
<b>b Securities Premium Account</b>		
Opening Balance	9,971,000	9,971,000
	<b>9,971,000</b>	<b>9,971,000</b>
		-
<b>c General Reserve</b>		
Opening Balance	64,159,609	64,159,610
Add: Transferred from statement of Profit & Loss	50,000,000	-
Closing Balance	<b>114,159,609</b>	<b>64,159,610</b>
<b>d Surplus in Statement of Profit and loss</b>		
Opening balance	82,114,244	59,772,092
Add: Net Profit for the current year	26,275,425	22,342,151
	108,389,669	82,114,243
Less: Appropriations:		
Transfer to General Reserves	50,000,000.00	-
Closing Balance	<b>58,389,669</b>	<b>82,114,243</b>
<b>Total</b>	<b>187,100,769</b>	<b>160,825,344</b>

## Note 5 : LONG TERM BORROWINGS

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(a) Secured Loans</b>		
<b>(i) Term loans</b>	162,451,090	40,469,047
(Secured Loans from Banks are secured against movable and immovable fixed assets of the Co. and personal guarantee of promoters directors )		
<b>(ii) Foreign Buyer Credit from Bank</b>	36,274,802	-
(Foreign Buyer Credit from Bank is secured against movable and immovable fixed assets of the Company and personal guarantee of promoters directors and payable after three years)		
	<b>198,725,892</b>	<b>40,469,047</b>
<b>(b) Unsecured</b>		
(i) Loans and advances from related parties	125,648,947	41,758,515
(ii) Others	27,800,000	54,069,160
	<b>153,448,947</b>	<b>95,827,675</b>
<b>Total</b>	<b>352,174,839</b>	<b>136,296,722</b>



Notes forming part of the Financial Statements

Note 6 : DEFERRED TAX BALANCES

(In Rs.)

Particulars	Deferred Tax Liability as at March 31, 2011	Current Year charge / credit	Deferred Tax Liability as at March 31, 2012
(a) <b>Deferred Tax Liabilities (Net)</b>			
Depreciation and amortisation	6,189,498	4,147,076	10,336,574
<b>Total</b>	<b>6,189,498</b>	<b>4,147,076</b>	<b>10,336,574</b>
(b) <b>Deferred Tax Assets (Net)</b>			
Depreciation and amortisation	20,361,782	(9,197,786)	11,163,996
Employee benefits	734,237	763,467	1,497,704
<b>Total</b>	<b>21,096,019</b>	<b>(8,434,319)</b>	<b>12,661,700</b>

Note 7 : LONG TERM PROVISIONS

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits	4,269,000	1,858,623
<b>Total</b>	<b>4,269,000</b>	<b>1,858,623</b>
Provision for employee benefits includes provision for gratuity and other retirement benefits		

Note 8 : SHORT TERM BORROWINGS

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Secured loans</b>		
Loans repayable on demand from Bank	112,221,285	46,238,656
<b>Total</b>	<b>112,221,285</b>	<b>46,238,656</b>
(Secured from banks are secured against of Stock & Book Debts and personal guarantee of Directors)		

Note 9 : OTHER CURRENT LIABILITIES

Other Current Liabilities	As at March 31, 2012	As at March 31, 2011
(a) Current Maturities of Long term Debt	57,896,567	49,373,491
(b) Other payables	5,335,356	366,082
<b>Total</b>	<b>63,231,923</b>	<b>49,739,573</b>

Note 10 : SHORT TERM PROVISIONS

Short Term Provisions	As at March 31, 2012	As at March 31, 2011
(a) Provision for employee benefits	5,808,494	4,605,740
(b) Others :		
Current Income Tax (Net)	988,573	0.00
<b>Total</b>	<b>6,797,067</b>	<b>4,605,740</b>

## Note -11 Fixed Assets

Description	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at April, 1, 2011	Additions during the year	Deletions/ Adjustment	Balance as at March 31, 2012	Balance as at April, 1, 2011	Depreciation charge for the year	On disposals for the year	Balance as at March 31, 2012	Balance as at March 31, 2011
<b>(i) Tangible Assets</b>									
Leasehold Land	37,878,160	0	0	37,878,160	111,237	-	0	37,766,923	37,766,923
Building	127,707,376	7150047	0	134,857,423	31,152,216	3,438,978	0	100,266,230	96,555,161
Plant & Equipments	458,418,641	73222325	0	531,307,965	278,982,881	32,030,741	0	220,294,343	179,435,760
Computer	5,162,173	1143881	0	6,306,054	4,964,909	919,683	0	421,462	197,264
Office equipment	1,895,848	117530	0	2,013,378	731,798	93,340	0	1,188,240	1,164,050
Electrical Equipments	17,090,275	1545168	333000	18,635,443	3,180,094	853,279	117,715	14,719,785	13,910,181
Furniture & Fixture	11,111,943	1706397	0	12,818,341	4,826,161	778,238	0	7,213,941	6,285,782
Vehicles	8,157,438	4461152	756622	11,861,968	2,477,372	1,084,615	429,961	8,729,942	5,680,066
<b>Total</b>	<b>667,421,854</b>	<b>89346500</b>	<b>1089622</b>	<b>755,678,732</b>	<b>326,426,668</b>	<b>39,198,874</b>	<b>547,676</b>	<b>390,600,866</b>	<b>340,995,187</b>
Previous Year	615,681,045	51740809	0	667,421,854	292,703,430	33,723,237	0	340,995,187	-
<b>(ii) Capital Work In Progress</b>									
<b>Total</b>		0	0	0.00	-	-	0.00	0	-
<b>Grand Total</b>	<b>667,421,854</b>	<b>89346500</b>	<b>1089622</b>	<b>755,678,732</b>	<b>326,426,668</b>	<b>39,198,874</b>	<b>547,676</b>	<b>585,340,230</b>	<b>340,995,187</b>



**Notes forming part of the Financial Statements**

**Note 12 : NON CURRENT INVESTMENTS**

(in Rs.)

Particulars	AS AT March, 31,2012	AS AT March, 31,2011
<b>Considered Good :</b>		
A Trade Investments	0	0
<b>Total (A)</b>	<b>0</b>	<b>0</b>
<b>B Other Investments(Unquoted)</b>	0	0
(b) Investment in Equity instruments in Subsidiary Company	9,099,990	
<b>Grand Total (A + B)</b>	<b>9,099,990</b>	<b>0</b>

**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"
						31/3/2012	31/3/2011	
	(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)
Investment in Equity Instruments	Subsidiary	10	99999	Unquoted	Fully Paid	9,099,990	0	Yes
<b>Total</b>						<b>9,099,990</b>	-	

**NOTE 13 : LONG TERM LOANS AND ADVANCES (Unsecured)**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Considered Good :</b>		
(a) Security Deposits	7,239,637	6,542,128
(b) Mat Credit Receivables	19,609,466	11,160,605
(c) Share Application Money in Subsidiary Company	17,900,000	0
(d) Capital Advance	6,298,884	
(e) Interest Accrued	27,043	402,790
<b>Total</b>	<b>51,075,030</b>	<b>18,105,523</b>

**Notes forming part of the Financial Statements**

**NOTE : 14 INVENTORIES**

(in Rs.)

Particulars	AS AT March 31,2012	AS AT March 31,2011
(a) Medicines (valued at cost)	5,586,532	5,279,732
(b) Stores and Spares (valued at cost)	845,274	606,303
(c) Surgical consumable/implants(valued at Cost)	19,505,842	14,483,374
(d) Other Consumables (Valued at cost)	2,403,705	1,400,000
<b>Total</b>	<b>28,341,353</b>	<b>21,769,409</b>

**Note 15 : TRADE RECEIVABLES**

Particulars	AS AT March 31,2012	AS AT March 31,2011
(a) Secured, considered good Trade receivables outstanding for a period less than six months from the date they are due for payment	119,955,459	75,580,620
(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment	0.00	0.00
<b>Total</b>	<b>119,955,459</b>	<b>75,580,620</b>

**Note 16 : CASH AND CASH EQUIVALENTS**

Particulars	AS AT March 31,2012	AS AT March 31,2011
(a) Balances with banks* Current Accounts	11,356,833	5,902,484
Deposit Account	832,308	1,488,907
(b) Cash on hand	4,097,887	271,403
<b>Total</b>	<b>16,287,028</b>	<b>7,662,794</b>
The Company's Fixed deposit receipts amounting to Rs.8.32 Lacs ( Rs14.89 Lacs ) are under lien with bankers for obtaining Bank Guarantee		

**Note 17 : SHORT-TERM LOANS AND ADVANCES (UNSECURED)**

Particulars	AS AT March 31,2012	AS AT March 31,2011
(a) Considered Good: Loans and Advances to Employees	2,094,732	2,139,432
(b) Income Tax Refund Due	3,038,344	4,486,988
(c) Other Loans & Advances	3,882,053	9,735,977
<b>Total</b>	<b>9,015,129</b>	<b>16,362,397</b>

**Note 18 : OTHER CURRENT ASSETS**

Particulars	AS AT March 31,2012	AS AT March 31,2011
Prepaid Expenses	2,309,319	1,291,554
<b>Total</b>	<b>2,309,319</b>	<b>1,291,554</b>



Notes forming part of the Financial Statements

Note 19 : REVENUE FROM OPERATIONS

(in Rs.)

PARTICULARS	FY-2011-2012	FY-2010-2011
Revenue from Healthcare Services	426,239,378	397,706,247
Revenue from Pharmacy & Surgical Sales	139,752,696	120,287,263
Nursing College	5,033,300	2,546,200
<b>Total</b>	<b>571,025,374</b>	<b>520,539,710</b>

Note 20 : OTHER INCOME

PARTICULARS	FY-2011-2012	FY-2010-2011
Interest Receipts	705,975	129,469
Rent Receipts	874,800	943,139
Other Income	3,419,178	428,624
<b>Total</b>	<b>4,999,953</b>	<b>1,501,232</b>

Note 21 : CHANGES IN INVENTORIES OF STOCK IN TRADE

PARTICULARS	FY-2011-2012	FY-2010-2011
Opening Stock in trade	17,545,820	13,417,336
Less: Closing Stock in trade	22,226,609	17,545,820
<b>Total</b>	<b>4,680,789</b>	<b>4,128,484</b>

Note 22 : COST OF MATERIALS CONSUMED

PARTICULARS	FY-2011-2012	FY-2010-2011
Indigenous Materials:		
Surgical	11,491,927	9,305,982
Stores Consumable	23,166,354	22,785,278
<b>Total Consumption of Materials</b> (Consumption relates to items used for healthcare services only)	<b>34,658,281</b>	<b>32,091,260</b>

Note 23 : PURCHASE OF STOCK IN TRADE

PARTICULARS	FY-2011-2012	FY-2010-2011
Indigenous Materials:		
Pharmacy	54,599,446	52,870,546
Surgical	38,281,318	30,339,938
<b>Total</b>	<b>92,880,764</b>	<b>83,210,484</b>

## Notes forming part of the Financial Statements

## Note 24 : EMPLOYEE BENEFITS EXPENSE

(in Rs.)

Particulars	FY-2011-2012	FY-2010-2011
Salaries and incentives to employees	76,181,914	74,407,571
Contribution to Provident Fund	581,043	377,593
Gratuity	2,410,377	807,011
Staff Welfare Expenses	4649876	1,669,265
Bonus and Exgratia	862548	351,768
<b>TOTAL</b>	<b>84,685,758</b>	<b>77,613,208</b>

## Note 25 : FINANCE COSTS

Particulars	FY-2011-2012	FY-2010-2011
Interest Expense	31,247,433	27,500,282
Bank and other Charges	1,608,007	1,611,337
<b>SUB TOTAL</b>	<b>32,855,440</b>	<b>29,111,619</b>

## Note 26 : Other Expenses

Particulars	FY-2011-2012	FY-2010-2011
Payment of Doctor Fee	172,685,178	154,990,342
Power & Fuel	17,568,447	16,133,563
House Keeping Expenses	11,341,228	10,606,771
Rates & Taxes excluding taxes on income	10,223,837	12,082,072
Rent	4,353,652	1,816,368
Repair to Building	1,553,521	1,248,356
Repair to Machinery	7,397,683	6,318,715
Repair to Vehicles	795,184	746,308
office Maintenance & Others	5,294,793	5,357,053
Insurance	533,579	500,979
Printing & Stationery	3,837,060	3,921,028
Director Sitting Fees	81,000	131,500
Mangerial Remuneration	3,660,000	3,240,000
Advertisement ,Publicity & Marketing	1,628,329	1,126,223
Travelling & Conveyance	2,855,752	3,118,623
Subscriptions	233,850	160,544
Security Charges	3,490,352	2,488,724
Legal & Professional Fees	4,300,187	5,799,176
Lease Charges	2,784,884	6,583,068
Telephone Expenses	1,291,600	1,487,202
Donations	349,280	307,000
Auditors Remuneration	168,540	110,300
Miscellaneous Expenses	1,030,297	717,078
Loss on sale of Assets(Net)	111,946	0
<b>Total</b>	<b>257,570,179</b>	<b>238,990,993</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 27 : 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 5,81,043/- (March 31, 2011, Rs.3,77,593/-) 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 March 31, 2012.

The disclosure in respect of defined benefit gratuity plan is based on report given by actuary as on March 31, 2012.

	Year ended March 31, 2012
<b>Change in present value of obligation:</b>	
Present value of obligation at the beginning of the year	18,58,623
Interest cost 1,61,700	
Current service cost	8,90,000
Actuarial Losses/ (Gains)	13,58,677
Benefits paid Nil	
<b>Present value of Obligation at the close of the year</b>	<b>42,69,000</b>
<b>Amounts recognised in the statement of Profit and Loss:</b>	
Current Service Cost	8,90,000
Interest Cost 1,61,700	
Expected Return on plan assets	Nil
Actuarial Losses	13,58,677
Expenses recognised	
<b>Actuarial Assumptions at the Balance Sheet date:</b>	
Discount Rate	8.70%
Salary Escalation	10%
Mortality Rate	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 28: Segment Reporting:

(In Rs.)

	2011-12			2010-11		
	Hospital	Nursing College	Total	Hospital	Nursing College	Total
<b>(A) INFORMATION IN RESPECT OF PRIMARY SEGMENT</b>						
(I) Segment Revenue						
Operating Income	56,59,92,374	50,33,000	57,10,25,374	51,79,93,510	25,46,200	52,05,39,710
<b>Total Segment Revenue</b>	<b>56,59,92,374</b>	<b>50,33,000</b>	<b>57,10,25,374</b>	<b>51,79,93,510</b>	<b>25,46,200</b>	<b>52,05,39,710</b>
(II) Segment Results						
Profit (+) / Loss (-) Before Tax and Interest	10,47,43,014	11,68,167	105,911,181	16,59,42,947	(22,03,224)	16,37,39,723
Less:						
Unallocable Expenditure						
Net of Unallocable Income			3,41,98,921			10,00,89,093
Interest			3,28,55,440			3,22,22,005
Tax Expense			1,25,81,395			90,86,474
Profit After Tax			2,62,75,425			2,23,42,151
III) Other information:						
(a) Segment Assets	81,72,61,801	64,86,864	82,37,48,665	49,38,76,124	27,97,881	49,66,74,005
Unallocated Assets	0	0	0	0	0	0
<b>Total Assets</b>	<b>81,72,61,801</b>	<b>64,86,864</b>	<b>82,37,48,665</b>	<b>49,38,76,124</b>	<b>27,97,881</b>	<b>49,66,74,005</b>
(b) Segment Liabilities	54,30,61,216	0	54,30,61,216	24,22,36,980	25,000	24,22,61,980
Unallocated Liabilities	0	0	0	0	0	0
	54,30,61,216	0	54,30,61,216	24,22,36,980	25,000	24,22,61,980
(c) Capital Expenditure	28,40,41,291	44,573	28,40,85,864	5,03,96,840	13,43,969	5,17,40,809
Depreciation	3,90,93,175	1,05,699	3,91,98,874	3,36,30,016	93,221	3,37,23,237
Unallocated Depreciation / Amortisation	0	0	0	0	0	0
	3,90,93,175	1,05,699	3,91,98,874	3,36,30,016	93,221	3,37,23,237



**Note 29: Earning Per Share (EPS):**

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

(In Rs.)

Particulars	2011 - 12	2010-11
Net Profit/ (Loss) for the Year	2,62,75,425	2,23,42,151
Weighted average number of Equity Shares	93,58,668	93,58,668
Basic Earning per share (in Rs.)	2.81	2.39
Diluted Earning per share (In Rs.)	2.81	2.39

**Note 30: Contingent Liability**

Particulars	2011-12	2010-11
Disputed demand of Customs Department (under appeal). The Company has filed an appeal to High Court of Judicature at Allahabad.	38,45,00,000	38,45,00,000
Estimated amount of contract not executed on Capital Account not provided for (Net of Advances)	1,43,50,000	14,00,00,000
Bank Guarantee furnished to Director, CGHS for treatment of their employees.	10,00,000	60,00,000
Foreign Letter of Credit for import of Medical Equipment's	18,32,524 (EURO27000) 63,40,713.00 (USD124630)	3,16,42,973 (US\$ 713,000)

**Note 31: Related Party Disclosures:**

Name of Person	Relation with Company	Description of transactions during the year	2011-12	2010-11
Mr. A.R.Kapoor	Relative of Managing Director	Remuneration	1,80,000	1,80,000
		Land Rent	8,38,923	7,62,660
Dr. Atul Kapoor	Managing Director	Remuneration	24,00,000	19,80,000
Dr. Rashmi Kapoor	Whole Time Director	Remuneration	12,60,000	12,60,000
Smt. Soni Kapoor	Relative of Managing Director	Interest	13,87,688	9,43,750

**Note 32. Remuneration to Auditors (excluding service tax)**

(In Rs.)

Particulars	2011-12	2010-11
a) Audit Fees	100,000	75,000
b) Tax Audit Fees	25,000	15,000
c) Other Professional Matters	25,000	10,000

**Note 33 : 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 October 2, 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 34 : 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 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 35 : Value of Imports calculated on CIF basis :**

Particulars	2011-2012	2010-2011
a) Raw Materials	0	0
b) Capital Goods	3,99,61,924	0
c) Stores and spare parts	0	0

**Note 36 :** Previous year figures have been reclassified /regrouped wherever necessary to correspond with the Current year's classification /disclosure.

**Note 37 :** These financial statements have been prepared in the format prescribed by the revised Schedule VI to the Companies Act, 1956. Previous period figures have been recasted /restated to confirm to the classification of the current period.

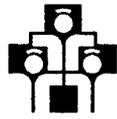


Statement pursuant to general exemption received under section 212 (8) of the Companies Act, 1956 relating to Subsidiary Company.

(in Rs.)

Name of Subsidiary Company	Reporting Currency	Capital	Share Application Money Pending for allotment	Reserves	Total Liabilities	Total Assets	Investments (Other than in subsidiaries)	Turnover	Profit/(Loss) before Tax)	Provision for Tax	Profit/(Loss) after tax	Proposed Dividend	Country
RHL HEALTHCARE PRIVATE LIMITED	INR	1,000,000	17,900,000	8,100,000	109,622,316	136,622,316	0	0	0	0	0	0	India

Note: The Subsidiary Company was incorporated on June 10, 2011 therefore information are given for the period from June 10, 2011 to March 31, 2012



Regency Hospital Ltd.

Regd. Office : A-2, Sarvodaya Nagar,  
Kanpur- - 208 005

**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 23rd ANNUAL GENERAL MEETTING of the Company at A-2, Sarvodaya Nagar, Kanpur at 11.00 A.M. on Saturday, September 29, 2012.

\_\_\_\_\_  
Name of the Shareholder  
(in block capitals)

\_\_\_\_\_  
Signature

Folio No.....

\_\_\_\_\_  
Full Name of Proxy  
(in block capitals)

\_\_\_\_\_  
Signature

.....TERE HERE.....

**PROXY FORM**



Regency Hospital Ltd.

Regd. Office : A-2, Sarvodaya Nagar,  
Kanpur- - 208 005

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 Third Annual General Meeting of the  
Company to be held on Saturday, September 29, 2012.

As witness my/our hand(s) this.....day of.....2012

Signed by the said .....

Ledger Folio No.....

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

.....TERE HERE.....

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