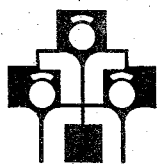
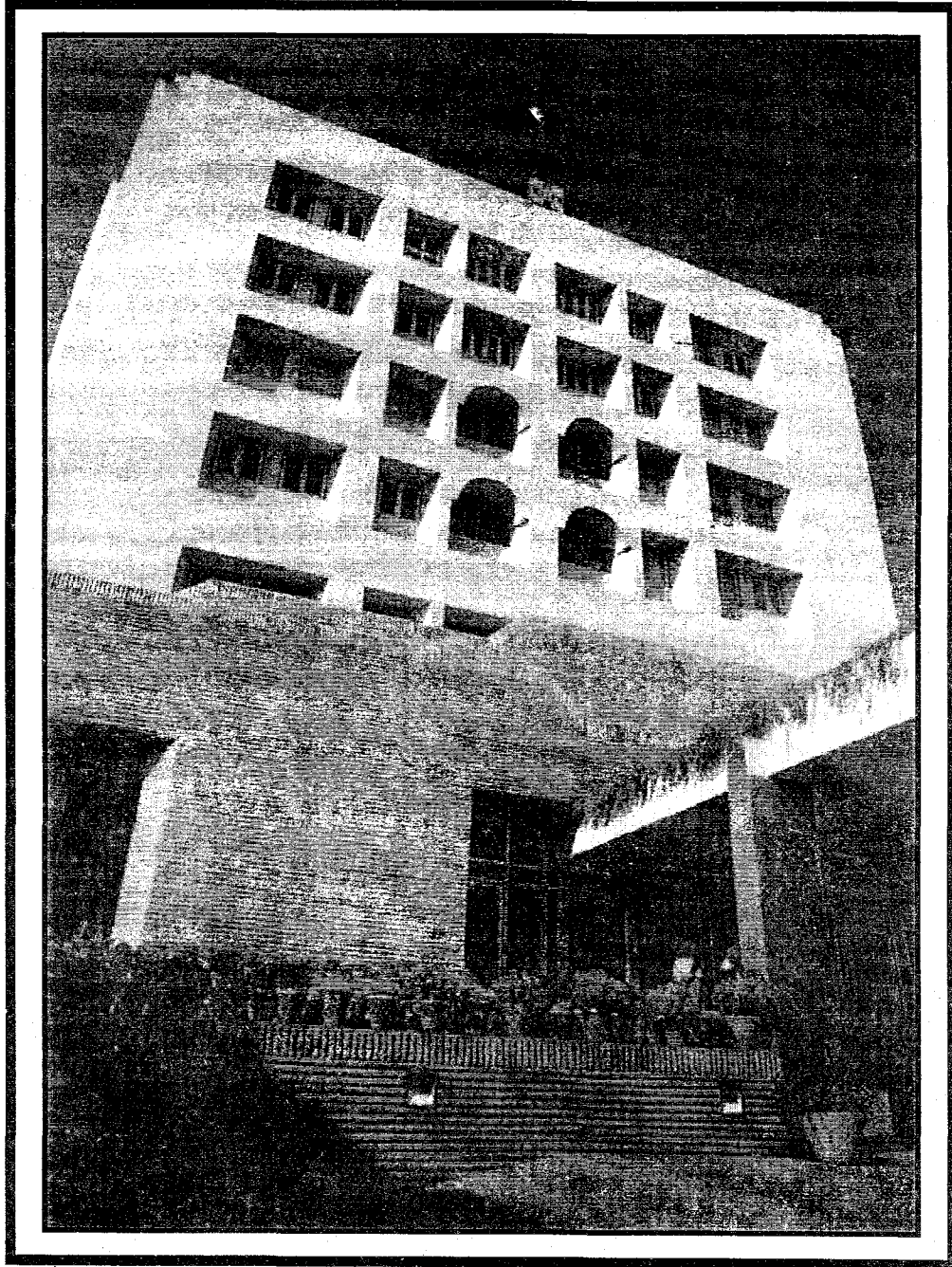
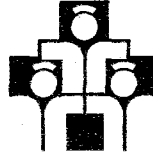


# *19th Annual Report* *2007-2008*



*Regency Hospital Ltd.*



# *Regency Hospital Ltd.*

## **BOARD OF DIRECTORS**

Shri R. L. SRIVASTAVA

Dr. ATUL KAPOOR

Dr. RASHMI KAPOOR

Dr. S. C. ARYA

Shri ANIL KHEMKA

Shri ESHWAR RAMAN KARRA

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

## **AUDITORS**

M/s. JAIN DHINGRA & ASSOCIATES

Chartered Accountants

KANPUR

## **MAIN BANKERS**

Kotak Mahindra Bank Ltd.

## **REGISTERED OFFICE**

A-2, SARVODAYA NAGAR,

KANPUR - 208005

## **HOSPITAL**

A-2, SARVODAYA NAGAR,

KANPUR - 208 005

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## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of REGENCY HOSPITAL LIMITED will be held on Monday, 15th September, 2008, at 10.00 A.M. at the Registered Office of the Company at A-2, Sarvodaya Nagar, Kanpur-208005 to transact the following business:-

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial year ended 30th June, 2008, Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. S.C. Arya, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Anil Khemka, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

### SPECIAL BUSINESS :

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

**"RESOLVED THAT** Shri Eshwar Raman Karra, who was appointed as Additional Director of the Company and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice under Section 257 of the Companies Act, 1956 from a Member signifying his intention to propose his candidature for the office of the Director, be and is hereby appointed as Director of the Company."

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

**"RESOLVED THAT** pursuant to provisions of Section 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Dr. Atul Kapoor as Managing Director of the Company for a further period of five years with effect from 1st September, 2008 on the following terms and conditions as approved by the Remuneration Committee.

#### a) SALARY

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

## PERQUISITES

- I. The Managing Director shall be entitled to perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for furnishing and maintenance of residential accommodation, utilisation of gas, electricity, water, reimbursement of medical expenses and leave travel concession for self and family club fees, payment towards personal accident insurance and mediclaim and all other payments in the nature of perquisites and allowances as agreed, subject to an overall ceiling of Rs. 6,00,000/- per annum without restriction to any sub-limit on individual perquisite.

## EXPLANATION

"Family here means the spouse, dependent children and dependent parents of the Managing Director.

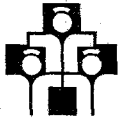
For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose and Telephone at residence (including payment for local calls and long distance official call(s)), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- II. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- III. Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the Income-Tax Act, 1961.
- IV. The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

## MINIMUM REMUNERATION

**RESOLVED FURTHER THAT** where in any Financial Year during the currency of tenure of Managing Director, the Company has no profits or its profits are inadequate, Dr. Atul Kapoor, Managing Director shall be entitled to remuneration by way of salary and perquisites as specified supra, as minimum remuneration, subject to such approvals, as may be necessary.



**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

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

**"RESOLVED THAT** pursuant to provisions of Section 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Dr. Rashmi Kapoor as Whole-time Director of the Company for a period of five years with effect from 1st September, 2008 on the following terms and conditions as approved by the Remuneration Committee.

**a) SALARY :**

Rs.1,50,000/- (Rupees One Lac Fifty Thousand only) per month.

**b) PERQUISITES :**

- I. The Whole-time Director shall be entitled to perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for furnishing and maintenance of residential accommodation, utilisation of gas, electricity, water, reimbursement of medical expenses and leave travel concession for self and family, club fees, payment towards personal accident insurance and mediclaim and all other payments in the nature of perquisites and allowances as agreed, subject to an overall ceiling of Rs. 6,00,000/- per annum without restriction to any sub-limit on individual perquisite.

**EXPLANATION**

"Family here means the spouse, dependent children and dependent parents of the Whole-time Director.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose and Telephone at residence (including payment for local calls and long distance official call(s)), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

- II. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

# Nineteenth Annual Report

- III. Gratuity payable as per the Rules of the Company and encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites to the extent the same are not taxable under the Income-Tax Act, 1961.
- IV. The Whole-time Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

## MINIMUM REMUNERATION

**RESOLVED FURTHER THAT** where in any Financial Year during the currency of tenure of Whole-time Director, the Company has no profits or its profits are inadequate, Dr. Rashmi Kapoor, Whole-time Director shall be entitled to remuneration by way of salary and perquisites as specified supra, as minimum remuneration, subject to such approvals, as may be necessary.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

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

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

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

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

Dated: 24th July, 2008

By Order of the Board

( Dr. Atul Kapoor )  
Managing Director



**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxy in order to be effective must be deposited at the Registered Office of the Company not less than Forty Eight Hours before the commencement of the Meeting.

2. An Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of Item Nos. 5 to 8 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday 11th September, 2008 to Monday 15th September, 2008 (both days inclusive).
4. In terms of Clause 49 of the Listing Agreement information on Directors retiring by rotation seeking re-appointment at this Annual General Meeting is as under:

Particulars	Dr S.C. Arya	Shri Anil Khemka	Shri Eshwar Raman Karra
Date of Birth and Age	09.02.1939 Age: 69 Years	18.11.1956 Age: 51 Years	08.06.1968 Age: 40 Years
Appointed on	16.10.1989	15.03.1995	30.01.2008
Qualifications	M.B.B.S, M.D	Chartered Accountant	Finance & Administration
Expertise in specific functional areas	Medical	Finance	M B A
Directorship held in other Public Companies (excluding Foreign Companies)	NIL	Indcoat Shoe Components Ltd.	NIL
Memberships / Chairmanships of committees across public Companies.	Audit Committee Remuneration Committee.	Audit Committee Remuneration Committee	NIL

## **ANNEXURE TO THE NOTICE**

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

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

The Board of Directors of the Company at its meeting held on 30th January, 2008 appointed Shri Eshwar Raman Karra as the Nominee Director of Kotak Mahindra Bank Limited. In terms of provisions of Section 260 of the Companies Act, 1956, Shri Eshwar Raman Karra holds office upto the date of this Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 alongwith requisite deposit from a Member proposing the candidature of Shri Eshwar Raman Karra as a Director of the Company. Shri Eshwar Raman Karra is presently working as the Executive Vice president of Kotak Mahindra Bank Ltd. and has vast and varied experience in finance and administrative matters and his continuance on the Board will immensely benefit the Company. The Board recommends the resolution for acceptance.

None of the Directors of the Company except Shri Eshwar Raman Karra himself may be considered as concerned or interested in the resolution.

#### **ITEM NO. 6 & 7**

Dr. Atul Kapoor and Dr. Rashmi Kapoor were appointed as the Managing Director and Whole-time Director respectively of the Company for a period of Five years w.e.f 1st September, 2003 and their appointments and terms and conditions thereof had been approved by the Central Government vide Letter No. 1/276-277/2003-CL VII dated 07.01.2004. Dr. Atul Kapoor, M.B.B.S, M.S, the Managing Director of the Company has around 27 years of experience in Medical Profession and has been associated with the Company since its incorporation. Dr. Rashmi Kapoor, M.B.B.S, M.D. the Whole-time Director of the Company has also around 27 years of experience in Medical Profession and has been associated with the Company since its incorporation. Both of them have played significant role in turning around the Company. It is now proposed to re-appoint Dr. Atul Kapoor and Dr. Rashmi Kapoor as the Managing Director and Whole-time Director respectively of the Company for a further period of Five years w.e.f 1st September, 2008 on the same terms and conditions which had earlier been approved by the Remuneration Committee and also by the Central Government.

The additional information with respect to the Company and the Appointees is as under:

#### **I. GENERAL INFORMATION:**

- |      |  |                                    |
|------|--|------------------------------------|
| (i)  | Nature of Industry   | : Hospital and Diagnostic Services |
| (ii) | Date or expected date of<br>Commencement of commercial<br>Production | : The Company is in operation.     |



# Regency Hospital Ltd.

- (iii) In case of new Companies,  
Expected date of commencement  
of activities as per project approved  
by financial institutions appearing  
in the prospectus : -N.A-

- (iv) Financial Performance based :  
on the given indicators for the (Rs. in Lacs)  
F.Y. ended 30.06.2008
- |   |         |
|---|---------|
| Turnover  | 3361.64 |
| Profit /Net (Loss)                                      | 83.73   |
| Net worth (excluding Revaluation reserve)               | 1567.30 |
| Book Value per Share<br>(excluding revaluation reserve) | 18.40   |

- (v) Export performance and net : NIL  
Foreign exchange earnings

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

## II. INFORMATION ABOUT THE APPOINTEES:

Name	Background Details	Previous Remuneration	Proposed Remuneration	Job Profile
Dr. Atul Kapoor	Age 51 Yrs. M.B.B.S, M.S Having 27 years of experience in Medical Science.	Rs. 2,00,000/- p.m plus perquisites upto Rs. 6.00 Lacs p.a	Rs. 2,00,000/- p.m plus perquisites upto Rs. 6.00 Lacs p.a	(Managerial) [responsible for overall management of the affairs of the Company].
Dr. Rashmi Kapoor	Age 51 Yrs. M.B.B.S, M.D. Having 27 years of experience in Medical Science.	Rs.1,50,000/- p.m plus perquisites upto Rs. 6.00 Lacs p.a	Rs.1,50,000/- p.m plus perquisites upto Rs. 6.00 Lacs p.a	(Managerial) [responsible for Administrative and operational functions].

The details relating to comparative remuneration profile with respect to Industry being unavailable hence not provided. The Board is of the view that the proposed remuneration is in line with the prevailing industry trends.

The Board is of the opinion that the aforesaid managerial personnel have requisite qualifications, expertise and experience for the job they are holding. Except for receiving remuneration, none of the managerial personnel as aforesaid has any pecuniary relationship with the company.

## III. OTHER INFORMATION:

### (i) Reasons for inadequate Profit:

The Company was incorporated in the year 1987 with the object of setting-up of Hospital for dispensation of multi-disciplinary medical services. Being a Service Industry requiring a long gestation period, due to high incidence of interest and depreciation charges coupled with of technology obsolescence, the operations of the Company were badly affected and the Net-worth of the Company stood completely eroded. The Company has entered into One Time Settlement (OTS) with the Financial Institutions and the entire OTS Liability was taken over by Kotak Mahindra Bank Limited. On account of successful financial re-structuring, the financial performance of the Company improved and the Company has posted the Net Profit of Rs. 83.73 Lacs for the financial year ended 30th June, 2008.

### (ii) Steps taken or proposed to be taken for improvement:

After successful financial re-structuring, the Company has made a turnaround resulting in Net Profit for the financial year ended 30th June, 2008. In addition, the Management proposes to undertake the number of measures which inter-alia include the expansion of existing bed capacity, addition of newer medical facilities, installation of latest diagnostic equipments which are expected to improve the financial performance of the Company.

### (iii) Expected increase in productivity and Profits in measurable terms:

It is only because of tremendous efforts put in by the Managing Director and Whole-time Director, the financial performance of the Company has improved significantly as reflected in financial turnaround. The expected increase in productivity in measurable term being indeterminable cannot be quantified.

## IV. DISCLOSURES:

The Shareholders of the Company are duly informed of the remuneration package of Managerial Personnel and disclosures in this regard will be made in the Report of Corporate Governance under Clause 49 of the Listing Agreement.

None of the Directors of the Company except Dr. Atul Kapoor and Dr. Rashmi Kapoor being interested in their respective resolutions and related to each other, may be considered as concerned or interested in the resolutions.



*Regency Hospital Ltd.*

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The resolutions alongwith the accompanying Explanatory statement may be treated as abstracts of the terms of appointment and memorandum of interest of Managing Director and Whole-Time Director within the meaning of Section 302 of the Companies Act, 1956.

**ITEM NO. 8**

At the Eighteenth Annual General Meeting of the Company held on 29th September, 2007, the Members had decided for delisting of Equity Shares of the Company from Ahmedabad, Jaipur and Calcutta Stock Exchanges as the Equity Shares of the Company did not witness any trading activity thereat over a fairly long period and the company has to incur expenditure on account of annual listing fee without any tangible benefit. It was also decided to continue listing with Mumbai Stock Exchange and Kanpur Stock Exchange, the Regional Stock Exchange as expansion of BOLT covering all major cities offered sufficient trading opportunities to members/investors across the Country. Although the members of the company have already approved the delisting proposal, the same could not be implemented. Meanwhile, Securities and Exchange Board of India has, vide SEBI (Delisting of Securities) Guidelines, 2003 done away with the requirement of offering an exit option to the Members situated in the regions of the Stock Exchanges from which a Company's securities are proposed to be delisted. The proposed voluntary delisting of the Company's Shares from the said Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to Section 61 of the Act and the Delisting Guidelines issued by SEBI as may be in force from time to time, it is now proposed to seek the Member's approval afresh by way of a Special Resolution for voluntary delisting of the Company's shares from the said Stock Exchanges as set out in the Resolution at Item No.8.

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

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

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

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

By Order of the Board

(Dr. Atul Kapoor)  
Managing Director

Dated: 24th July, 2008

# Nineteenth Annual Report

## DIRECTORS' REPORT

To,

The Members of

REGENCY HOSPITAL LIMITED

Your Directors have pleasure in presenting herewith the Nineteenth Annual Report and audited Statement of Accounts of the Company for the Financial year ended 30th June, 2008.

### FINANCIAL RESULTS

The summarized financial results of the Company for the Financial year ended 30th June, 2008 as compared to previous year are as under:

	AMOUNT	
	(Rs. in Lacs)	
	2007-2008 (15 Months)	2006-2007 (9 months)
Total Income	3361.64	1795.47
Profit/(Loss) before Interest and Depreciation	687.94	367.82
Less: Finance Charges	307.37	187.45
Gross Profit/(Loss)	380.57	180.37
Less: Depreciation	282.19	153.77
Profit/(Loss) before Tax	98.38	26.60
Less: Provision for Tax (Current Year)	11.15	2.98
Less: Provision for Fringe Benefit Tax	3.50	1.48
Profit After Tax	83.73	22.14
Add: Prior Period Adjustments (Net)	—	2.64
Add / (Less): Balance brought forward from Last year	(1150.74)	(1175.52)
Less: Transfer to business Reorganization Reserve	(1150.74)	—
Profit / (Loss) after Tax transferred to Balance Sheet	83.73	(1150.74)

### FINANCIAL REVIEW

During the year under review, the Company recorded Total Income of Rs. 3361.64 Lacs representing an increase of 87.23% over the Previous Year on annualized basis. The Net Profit during the period was placed at Rs. 83.73 Lacs as compared to Loss of Rs. 22.14 Lacs in the Previous Year. During the period under review the Company has installed state of the art 64 Slice CT scan machine first of its kind in the State of Uttar Pradesh for Angiography with a Capital outlay of Rs.350.00 Lacs. During the year under the Company has been empanelled by various Institutional clients specially Railways and HAL for rendering Medical services to their employees.

## **FINANCE**

Your Directors are pleased to report that the Hon'ble High Court of Judicature at Allahabad vide its Order dated 30th day of April, 2008 sanctioned the 'Scheme of Arrangement' inter-alia providing for compromise with Secured Creditor viz; Kotak Mahindra Bank Limited, Reduction of Share Capital of the Company and allied matters so as to ensure sustainability and financial viability of the Company. In terms of the sanctioned 'Scheme of Arrangement', the Company has made an allotment of 55,00,000 Equity Shares to the Promoters and 22,15,105 Equity Shares to Kotak Mahindra Bank Limited, the Secured Creditor at parvalue. The Company has also made allotment of 8,04,530 New Equity Shares of Rs. 10/- each to the Members of the Company in the ratio of 1 (One) new Equity Share of Rs. 10/- each fully paid up for every 10 (Ten) existing Equity Shares held in the Company on the Record Date consequent upon the reduction of the Share Capital of the Company.

## **DIRECTORS**

During the year under review the Company has appointed Shri Eshwar Raman Karra as the Nominee Director of the Kotak Mahindra Bank Limited on the Board of Directors of the Company.

In terms of the provisions of Section 256 of the Companies Act, 1956, read with Articles of Association of the Company Dr. S.C. Arya and Shri Anil Khemka, Directors retire from Board by rotation and are 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 has in receipt of remuneration in excess of the Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 the desired information being in applicable, has not been furnished.

### **B. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Although operations of the Company are not energy intensive, steps are being taken to conserve energy in all possible areas. Particulars of conservation of Energy in the prescribed format and Technology Absorption as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. There have been no earnings an expenditure in foreign exchange during the year under review.

# Nineteenth Annual Report

## C. LISTING INFORMATION

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

## D. CORPORATE GOVERNANCE

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

## E. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company state in respect of the year ended 30th June, 2008 that:-

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

## ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their sincere thanks to the Financial Institutions, Banks and various Government Authorities for the support and co-operation extended to the Company and place on record their appreciation for the sincere and devoted services rendered by all employees of the Company at all levels. Your Directors are especially grateful to the shareholders for reposing their trust and confidence in the Company.

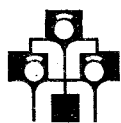
By Order of the Board

Place: Kanpur

Date: 24th July, 2008

(R.L. SRIVASTAVA)

CHAIRMAN



## CORPORATE GOVERNANCE REPORT

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

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

### 2. BOARD OF DIRECTORS:

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

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

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

- **AUDIT COMMITTEE**
- **REMUNERATION / COMPENSATION COMMITTEE**
- **SHARE TRANSFER & TRANSMISSION CUM INVESTORS' GRIEVANCE COMMITTEE**

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

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

# Nineteenth Annual Report

# 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.

\* Appointed as the Nominee Director of Kotak Mahindra Bank Limited on the Board of the Company w.e.f. 30th January, 2008.

## BOARD MEETINGS AND ATTENDANCE:

During the Financial period from 1st April, 2007 to 30th June, 2008, eight Board Meetings were held on the following date(s) 5th May, 2007, 4th August, 2007, 1st September, 2007, 30th October, 2007, 30th January, 2008, 7th May, 2008, 29th May, 2008 and 30th June, 2008.

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

Name of Director	No. of Board Meetings held	No. of Board Meetings attended	Whether attended the AGM Yes / No
PRESENT DIRECTORS:			
Shri R.L. Srivastava	8	8	Yes
Dr. Atul Kapoor	8	8	Yes
Dr. Rashmi Kapoor	8	8	Yes
Dr. S.C. Arya	8	1	No
Shri Anil Khemka	8	7	Yes
Shri Eshwar Raman Karra	3	.....	N.A.

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

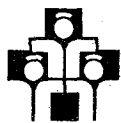
## CODE OF CONDUCT :

The Company has not adopted the Code of Conduct for all the Board Members and Senior Management.

## 3. AUDIT COMMITTEE :

The Company had constituted an Audit Committee in the year 2001, which was lastly reconstituted on 5th December, 2006. During the period from 1st April, 2007 to 30th June, 2008, Six Meetings of the Audit Committee were held on the following date(s) 5th May, 2007, 4th August, 2007, 1st September, 2007, 30th October, 2007, 30th January, 2008 and 7th May, 2008.

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee broadly are as under:



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

**COMPOSITION AND ATTENDANCE :**

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

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

Attendance record of the Members of the Audit Committee is as under :

Name of the Member Director	No. of Meetings held*	No. of Meetings Attended
Shri Anil Khemka, Chairman	6	5
Dr. S.C Arya, Member	6	1
Shri R.L. Srivastava, Member	6	6

\* Indicates the Audit Committee Meetings held during the tenure as the Member.

**4. REMUNERATION / COMPENSATION COMMITTEE :**

The Company had constituted a Remuneration Committee in the Year – 2003 which was lastly re-constituted on 25th February, 2005.

# Nineteenth Annual Report

## Terms of Reference

The broad terms of reference of the Committee are to recommend to the Board;

- (a) Salary (including annual increments).
- (b) Perquisites and Commission to be paid to the Company's Managing / Whole-time directors (MD/ WTD's).
- (c) To finalise the perquisites package within the overall ceiling fixed by the Board.
- (d) Fees payable to other Members of the Board.

## Composition and Attendance:

The present Committee comprises the following Directors as Members;

Shri R.L. Srivastava,	Chairman
Dr. S.C. Arya,	Member
Shri Anil Khemka,	Member

No Meeting of the Remuneration Committee was held during the period from 1st April, 2007 to 30th June, 2008.

## REMUNERATION OF DIRECTORS:

Following are the details of Director's remuneration for period from 1st April, 2007 to 30th June, 2008.

### Executive Directors

Name of Director	Salary (Rs)	Commission (Rs)	Service Contract (Tenure)	Stock option with details if any
Dr. Atul Kapoor (Managing Director)	19,20,000/-	-	Upto 31.08.2008	Nil
Dr. Rashmi Kapoor (Whole-time Director)	11,55,000/-	-	Upto 31.08.2008	Nil

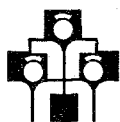
As the tenure of the existing Executive Directors is due to expire on 31st August, 2008, the Board of Directors has re-appointed for a period of 5 (Five) Years w.e.f 1st September, 2008 subject to the necessary approvals.

### Non-Executive Directors :

Name of Director	Sitting Fees (Rs)	Commission (Rs)
Shri R.L. Srivastava	47,000/-	-
Shri Anil Khemka	40,500/-	-
Dr. S.C. Arya	6,500/-	-

## ISSUE OF SHARES

Consequent to sanction of the Scheme of Arrangement inter-alia providing for Reduction of Share Capital and fresh issue of Share Capital by the Hon'ble High Court of Judicature at Allahabad vide Order dated 30th April, 2008, the Share Capital of the Company has been reduced from Rs. 8,04,53,000 to Rs. 80,43,000. The Company allotted 8,04,530 Equity Shares of Rs. 10/- each in the ratio of 1 (One) new Equity Share for every 10 (Ten) Equity Shares held by the existing Shareholders on the Record date. The Company has also issued at par 22,15,105



Shares of Rs. 10/- each at par to Kotak Mahindra Bank Ltd., the Secured Creditor and 55,00,000 Shares to Promoters and their relatives.

## MANAGEMENT DISCUSSION & ANALYSIS

This is given as a separate Chapter in Annual Report.

### 5. SHARE TRANSFER & TRANSMISSION CUM INVESTORS' GRIEVANCE COMMITTEE:

The Company had constituted an Share Transfer & Transmission cum Investors' Grievance Committee in the year 2001, lastly reconstituted on 3rd January, 2006. The Committee comprises of an Independent Director as Chairman, a Non-Executive Director, the Managing Director and the Executive Director. 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 certificates, transmission of shares and other miscellaneous complaints. During the year under review, six Share Transfer & Transmission cum Investors' Grievance Committee Meetings were held on 24th May, 2007, 12th September, 2007, 31st October, 2007, 6th March, 2008, 12th June, 2008 and 28th June, 2008.

The Composition of the Share Transfer & Transmission cum Investors' Grievance Committee and attendance at its Meetings is given hereunder:-

Composition	Dr. Atul Kapoor (Chairman)	Dr. Rashmi Kapoor (Member)	Shri Anil Khemka (Member)	Dr. S.C Arya (Member)
No. of meetings held during the tenure	6	6	-	-
No. of Meetings attended	6	6	-	-

### Details of Shareholder's Complaints during the year 2007-08

The total number of complaints / queries received and replied to the satisfaction of Shareholders during the period from 1st April, 2007 to 30th June, 2008 were 21. There were no outstanding complaints / queries as on 30th June, 2008.

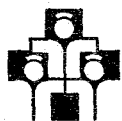
### 6. General Body Meetings:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2004-2005	30.09.2005	10.00 A.M	A-2, Sarvodaya Nagar, Kanpur.
2005-2006	30.12.2006	10.00 A.M	A-2, Sarvodaya Nagar, Kanpur.
2006-2007	29.09.2007	10.00 A.M	A-2, Sarvodaya Nagar, Kanpur.

### Details of Special Resolutions :

- (a) The following are the Special Resolutions passed at the previous three Annual General Meetings including Extraordinary General Meetings of the Company :



(iv) Any website, where displayed : No

Whether it also displays official news releases :

and the presentations made to institutional investors

or to analysts.

No

(v) Whether Management discussion and analysis : Yes

is a part of Annual Report or not.

**9. General Shareholders' Information :**

(i) **Annual General Meeting :** Date: 15th September, 2008

Day: Monday

Time: 10.00 A.M

Venue: A-2, Sarvodaya Nagar, Kanpur – 208005.

(ii) **Financial Calendar (tentative) for results :**

First Quarter: Last week of July, 2008.

Second Quarter: Last week of October, 2008.

Third Quarter: Last week of January, 2009.

Fourth Quarter: Last week of May, 2009.

(iii) **Date of Book Closure :** For the Annual General Meeting dt. 15th September, 2008 from 9th September, 2008 to 15th September, 2008 (both days inclusive).

(iv) **Listing on Stock Exchanges :** The Company's Securities are listed on the following five Stock exchanges in India and it is proposed to delist its Securities from Calcutta\*, Ahmedabad\*, and Jaipur\* Stock Exchanges;

1. Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, MUMBAI – 400023.
2. The Calcutta Stock Exchange Association Ltd\*.  
7, Lyons Range, Kolkata – 700001.
3. The Uttar Pradesh Stock Exchange Association Ltd.  
'Padam Towers'  
14/113, Civil Lines, Kanpur – 208001.
4. The Ahmedabad Stock Exchange Association Ltd.\*,  
Kamadhenu Complex,  
Sahajanand College, Panjarapole, Ahmedabad – 380015.
5. The Jaipur Stock Exchange Ltd.\*,  
Stock Exchange Building,  
JLN Marg, Malviya Nagar, Jaipur – 302017.

# Nineteenth Annual Report

The Company has paid Annual Listing Fees to :

- (i) The Stock Exchange, Mumbai upto the Financial Year 2008-2009.
- (ii) The Uttar Pradesh Stock Exchange Association Ltd., Kanpur upto the Financial Year 2008-2009.

**Stock Code: Not Available (N.A)**

**Stock Market Data:**

The Company's Equity Shares are thinly traded mostly privately. No authentic data is available.

**Dematerialisation of Shares:**

Company's Shares have not been mandated by Securities and Exchange Board of India (SEBI) for trading compulsorily in dematerialised form.

**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.

**Registrar and Share Transfer Agents :**

The Company has not appointed any Registrar and Share Transfer Agents for Shares related work which is directly undertaken in-house by the Company at its Registered Office at A-2, Sarvodaya Nagar, Kanpur – 208005.

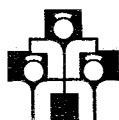
Email Address: rhl-999@sancharnet.in

**Distribution of Shareholding: (as on 30.06.2008)**

No. of Equity Shares Held	Mode of Holding	No. of Shareholders	Nos. % of Total	Nos. of Shares Held	Shares Held % of Total
1-50	Physical	16,139	97.895	1,98,530	2.330
51-100	"	151	0.916	13,340	0.157
101-200	"	59	0.358	9,460	0.111
201-300	"	55	0.334	14,140	0.166
301-400	"	6	0.036	2,180	0.026
401-500	"	17	0.103	8,559.5	0.100
501-1,000	"	13	0.079	12,010.5	0.141
1,001 and above	"	46	0.279	82,61,415	96.969
<b>TOTAL</b>	<b>Physical</b>	<b>16,486</b>	<b>100.000</b>	<b>85,19,635</b>	<b>100.000</b>

**Shareholding pattern (as on 30th June, 2008)**

Category	Mode of holding	No. of Shares held	% of Holding
<b>A. Promoters:</b>			
(i) Core Promoters	Physical	58,35,430	68.494
(ii) Associates	Physical	65,000	0.763



# Regency Hospital Ltd.

<b>B. Financial Institutions/Banks:</b>	Physical	22,83,905	26.808
<b>C. Others :</b>			
(i) Mutual Funds	Physical	31,730	0.372
(ii) Private Corporate Bodies	Physical	15,510	0.0182
(iii) Public	Physical	2,88,060	3.381
<b>TOTAL</b>	<b>Physical</b>	<b>85,19,635</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 :** A-2, Sarvodaya Nagar, KANPUR – 208005.  
Tele Nos. (0512) 2212001 –05  
Fax No. (91) (0512) 2213407  
E.Mail: rhl-999@sancharnet.in  
Website:www.regency-hospital.com

**Investor queries etc may be addressed to :**

(with respect to the Financial Statements of the Company)

Mr. Santosh Kumar Gupta  
Chief Financial Officer  
Regency Hospital Limited  
A-2, Sarvodaya Nagar,  
KANPUR – 208005.

(with respect to Shares and Secretarial matters)

Mr. Vinay Srivastava  
Manager Accounts & Secretarial Officer  
A-2, Sarvodaya Nagar,  
Kanpur – 208005.

## Certificate

To,  
The Regency Hospital Ltd.

We have examined the compliance of the conditions of Corporate Governance by Regency Hospital Limited, for the year ended on 30th June, 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with 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 of 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 by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrars of the Company to the Investors Grievance Committee as on 30th June, 2008 there were no investor grievance matters against the Company remaining unattended/pending for 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 Accountants)

R. N. DHINGRA

Partner

M.No. : 15385

Date : 24th July, 2008

Place : Kanpur



*Regency Hospital Ltd.*

**CEO / CFO CERTIFICATION**

The Board of Directors  
REGENCY HOSPITAL LIMITED  
Kanpur

**Re: Financial Statements for the period ended 30th June, 2008**

**Certification by Managing Director and Chief Financial Officer**

We, Dr. Atul Kapoor, Managing Director and Shri Santosh K. Gupta, Chief Financial Officer of REGENCY HOSPITAL LIMITED, on the basis of the review of the Financial Statements and the Cash Flow Statement for the period ended 30th June, 2008 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 30th June, 2008 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 the 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.

Place: Kanpur  
Date: 24.07.2008

(Dr. Atul Kapoor)  
Managing Director

(Santosh K. Gupta)  
Chief Financial Officer

## AUDITOR'S REPORT

To,  
The Members of  
Regency Hospital Limited,

1. We have audited the attached Balance Sheet of M/s. REGENCY HOSPITAL LIMITED as at 30th June, 2008, the Profit & Loss Account and also the Cash flow Statement of the Company for Fifteen months period 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 (as amended) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose 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 above, we report that :
  - (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, the Profit & Loss Account and the 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 Profit & Loss account and Cash Flow Statement dealt with by this report comply 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 30th June, 2008 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
5. Without qualifying our opinion, attention is drawn to the Note No.B on schedule -P regarding arrangement under Section 391 of the Companies Act, 1956 as per approved by the Hon'ble Allahabad High Court. The said scheme



has become effective on 30th June, 2008 after compliance of all legal formalities and its impact has been considered in these accounts.

Pursuant to the above Scheme, Share Capital reduction of Rs. 724.08 Lacs has been adjusted against Profit & Loss Debit Balance as on 31st March, 2007. Further remaining debit balance Rs. 426.66 Lacs in the Profit & Loss Account as on 31st March, 2007 as net surplus of Rs. 1115.96 Lacs arising, on consideration of the Company's assets and liabilities at their fair values as on 30th June, 2006 has been adjusted to Revaluation Reserve and balance appearing therein, has been transferred to "General Reserve" in terms of the Hon'ble Allahabad High Court order.

6. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with notes appearing in Schedule of Significant Accounting Policies and Notes on Accounts thereon 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 30th June, 2008; and
  - ii) in the case of Profit & Loss Account, of the Profit of the Company for the period ended on that date.
  - iii) In the case of the Cash Flow Statement, of the Cash Flows for the period ended on that date.

FOR JAIN DHINGRA & ASSOCIATES  
Chartered Accountants

R.N.Dhingra  
Partner  
Membership No. 15385

Kanpur: 24th July, 2008

# Nineteenth Annual Report

## **ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF REGENCY HOSPITAL LIMITED AS AT AND FOR THE PERIOD ENDED 30th June, 2008)**

### **i. In respect of its Fixed Assets :**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the Assets have not been physically verified by the management during the period but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) The Company has not disposed off any substantial fixed assets during the period.

### **ii. In respect of its Inventories:**

- a Inventories were physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
- c) The company is maintaining proper records of inventories. 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. a) The Company has not granted any loans to parties covered in the register maintained under section 301 of the companies Act, 1956 and consequently we are not commenting on the related clauses.**

- b) The Company has taken unsecured loans amounting to Rs.146.58 Lacs from four parties ,listed in the register maintained under section 301 of the companies Act, 1956 .

- c) As per terms of the loans ,no interest is being paid to unsecured loans amounting to Rs.146.58 Lacs from two parties ,listed in the register maintained under section 301 of the companies Act, 1956 .

- d) Such Loan is not due for repayment.

### **iv. The Company has an internal control system which is adequate and commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services . There are no major weaknesses in internal control system.**



- v. a) On the basis of audit procedures performed by us, and according to information and explanations and representations made to us, we are of the opinion that, the particulars of contracts or arrangements in which directors were interested as contemplated under section 297 and sub-section (6) of Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanation given to us, the transactions made in Pursuance of the contract 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 that time.
- vi. The company has not accepted any deposits from the public. Hence, the provisions of Section 58-A and 58-AA 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. The Central Government has not prescribed under Section 209(1)(d) of the Companies Act, 1956, the maintenance of cost records for the services rendered by the Company.
- ix. a) According to information and explanation given to us and on the basis of our examination of our records the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Customs duty 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 Excise Duty were in arrears as at 30th June, 2008 for a period of more than six months from the date they became payable.
- b) According the information and explanation give to us, there are no dues of sales tax, income tax, wealth tax, excise duty and cess 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 & Cen. Excise Act	Withdrawal of CDEC	38.45	10.00	1990-93	Appeal filed in Allahabad High Court

# Nineteenth Annual Report

- x. The Company has not defaulted in repayment of dues to financial Institutions or banks.
- xi. The Company has not granted any loans and advances on the basis of security by way of pledge of shares , debentures and other securities .
- xii. The clauses (xiii) & (xiv) of the paragraph 4 of the Companies (Auditors Report) Order, 2003 are not applicable to the company as the Company is neither engaged in the business of a Chit Fund or a Nidhi Mutual benefit fund / Society nor in trading in shares, securities, debentures and other investments.
- xiii. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from Banks or financial institutions.
- xiv. 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.
- xv. According to the information and explanations given to us, and on a overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis has been used for long term investments. No long-term funds have been used to finance short-term assets.
- xvi. During the period, the Company has made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 in terms of the Hon'ble Allahabad High Court order dt.30th April,2008.
- xvii. The Company has not issued any debentures during period.
- xviii. 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.
- xix. 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 period.

FOR JAIN DHINGRA & ASSOCIATES  
Chartered Accountants

R.N.Dhingra  
Partner  
Membership No.15385

Place :Kanpur  
Date : 24th July,2008



*Regency Hospital Ltd.* \_\_\_\_\_

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# A C C O U N T S

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# Nineteenth Annual Report

## REGENCY HOSPITAL LIMITED BALANCE SHEET AS AT 30TH JUNE, 2008

	SCHED.		AS AT 30.06.2008 Rs.	AS AT 31.03.2007 Rs.
<b>I. SOURCES OF FUNDS</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	<b>A</b>		85,196,350	80,453,000
(b) Reserves & Surplus	<b>B</b>		71,533,513	111,596,186
<b>2. Loan Funds</b>				
I. Secured Loans	<b>C</b>		123,467,621	128,990,025
II. Unsecured Loans	<b>D</b>		14,657,972	45,260,561
<b>TOTAL</b>			<b>294,855,456</b>	<b>366,299,772</b>
<b>II. APPLICATION OF FUNDS</b>				
<b>1. Fixed Assets</b>	<b>E</b>			
Gross Block			467,739,858	427,992,549
Less : Depreciation			241,569,835	207,581,630
Net Block			226,170,023	220,410,919
Capital Work-in-Progress			2,026,945	-
<b>2. Current Assets, Loans and Advances</b>				
Inventories	<b>F</b>		15,974,901	11,771,361
Sundry Debtors	<b>G</b>		41,853,414	19,268,263
Cash and Bank Balances	<b>H</b>		2,728,107	888,603
Loans and Advances	<b>I</b>		20,020,849	14,998,014
			<b>80,577,271</b>	<b>46,926,241</b>
<b>3. Less: Current Liabilities and Provisions</b>				
Current Liabilities	<b>J</b>		13,918,783	16,111,745
Net Current Assets			<b>66,658,488</b>	<b>30,814,496</b>
<b>4. (I) Profit &amp; Loss account</b>			<b>0</b>	<b>(115,074,357)</b>
<b>TOTAL</b>			<b>294,855,456</b>	<b>366,299,772</b>

Accounting Policies and Notes on Accounts

(As per our separate report of even date )

**FOR JAIN DHINGRA & ASSOCIATES**

Chartered Accountants

R.N.Dhingra

Partner

Membership No.15385

DATE : 24.07.2008

PLACE : KANPUR

**P**

**For and on behalf of the Board**

For and on behalf of the Board

Dr.Atul Kapoor-Managing Director

Dr.Rashmi Kapoor-Whole time Director

Santosh K.Gupta-Chief Financial Officer



## REGENCY HOSPITAL LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE, 2008

	SCHED.		Apr-07 to June-08 Rs.	July 06 to March-07 Rs.
<b>INCOME</b>				
Hospital Income	K		335,405,448	179,181,055
Other income			758,687	365,771
<b>TOTAL</b>			336,164,135	179,546,826
<b>EXPENDITURE</b>				
Operating Expenses	L		173,881,728	94,074,598
Power and Fuel	M		13,251,191	6,531,867
Payment and Benefit to Employees			44,946,612	24,998,211
Administrative Expenses	N		35,290,424	17,159,671
<b>TOTAL</b>			267,369,955	142,764,347
Profit/(loss) before Interest and Depreciation			68,794,180	36,782,479
Less				
Depreciation		33,988,207		
Less : Transferred from Revaluation/General Reserve		5,768,982	28,219,225	15,377,275
Interest	O		30,736,989	18,745,406
			58,956,214	34,122,681
Net Profit /(loss) before tax			9,837,966	2,659,798
Less: Provision For Tax				
Current Year Tax			1,115,000	298,429
Fringe Benefit Tax			350,000	147,616
Profit After Tax			8,372,966	2,213,753
Prior Period Adjustments (Net)			0	264,469
Balance brought forward from last year			(115,074,357)	(117,552,579)
Less: Transfer to Business Reorganization Reserve			(115,074,357)	0
Profit /(Loss) after Tax tr.to Balance Sheet			8,372,966	(115,074,357)

Accounting Policies and Notes on Accounts

(As per our separate report of even date )

**FOR JAIN DHINGRA & ASSOCIATES**

Chartered Accountants

P

**For and on behalf of the Board**

Dr.Atul Kapoor-Managing Director

Dr.Rashmi Kapoor-Whole time Director

Santosh K.Gupta-Chief Financial Officer

R.N.Dhingra

Partner

Membership No.15385

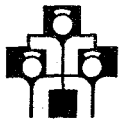
DATE : 24.07.2008

PLACE :KANPUR

# Nineteenth Annual Report

## REGENCY HOSPITAL LIMITED SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 30.06.2008 Rs.	AS AT 30.06.2008 Rs.	AS AT 31.03.2007 Rs.
<b>SCHEDULE-A</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED CAPITAL</b>			
10000000 Equity Shares of Rs.10/-each		100,000,000	100,000,000
<b>ISSUED ,SUBSCRIBED &amp; PAID UP</b>			
8519635 Equity Shares of Rs.10/-each		85,196,350	80,453,000
(8045300 Equity Shares of Rs.10/-each)			
<b>TOTAL</b>		85,196,350	80,453,000
<b>SCHEDULE -B</b>			
<b>RESERVES AND SURPLUS</b>			
Revaluation Reserve:			
Arising out of Revaluation of Fixed Assets			
As per Last Account	111,596,186		111,596,186
Less: Tranferred to Business Reorganization			
Reserve Account as per High Court Order*	111,596,186	0	
<b>TOTAL</b>		0	111,596,186
<b>BUSINESS REORGANIZATION RESERVE :</b>			
Transfer from Revaluation Reserve Account	111,596,186		
Add: Share Capital Reduction Account	72,407,700		
Less: Amount Written off:	184,003,886		
Debit Balance of Profit & Loss Account			
as on 31.03.2007 as per High Court Order*	115,074,357		
Transfer to General Reserve Account	68,929,529	0	0
<b>TOTAL</b>		0	0
<b>General Reserve :</b>			
*Transfer From Business Reorganization Reserve	68,929,529		
Less : Transfer to Depreciation Account	5,768,982	63,160,547	0
Balance as per annexed Profit & Loss Account		8,372,966	0
<b>TOTAL</b>		71,533,513	0
<b>*Refer Note No.B on Schedule P</b>			



*Regency Hospital Ltd.*

			AS AT 30.06.2008 Rs.	AS AT 31.03.2007 Rs.
<b>SCHEDULE -C</b>				
<b>SECURED LOANS</b>				
Term Loans from Banks			101,320,857	115,651,606
Cash Credit limit from Bank			22,146,764	13,338,419
<b>TOTAL</b>			<b>123,467,621</b>	<b>128,990,025</b>
<b>SCHEDULE -D</b>				
<b>UNSECURED LOANS</b>				
			14,657,972	45,260,561
<b>TOTAL</b>			<b>14,657,972</b>	<b>45,260,561</b>

# **REGENCY HOSPITAL LIMITED**

## **Schedule E**

### **Fixed Assets**

	GROSS BLOCK				DEPRECIATION				WRITTEN DOWN VALUE	
Particulars	As on 01.04.2007 Rs.	Additions Rs.	Deductions/ Sale Rs.	As on 30.06.08 Rs.	As on 01.04.07 Rs.	During the Period Rs.	Adjust- ment Rs.	Total As on 30.06.08 Rs.	As on 30.06.08 Rs.	As on 31.03.2007 Rs.
Lease hold Land	31,725,039	0	0	31725039	87929	7284	0	95213	31629826	31637110
Building	80,027,339	0	0	80027339	20493767	3341141	0	23834908	56192431	59533572
Plant&Machinery	299,751,383	37784447	0	337535830	178744193	29125611	0	207869804	129666026	121007192
Furnitures&Fixtures	4,585,042	571610	0	5156652	2962783	390933	0	3353716	1802936	1622259
Office Equipments	1,262,932	109732	0	1372664	438554	78352	0	516906	855758	824378
Electrical Equipments	6,184,628	908643	0	7093271	1226632	376307	0	1602939	5490332	4957996
Computer	2,678,488	372877	0	3051365	2593886	457477	0	3051363	1	84602
Vehicles	1,777,698	0	0	1777698	1033884	211102	0	1244986	532712	743814
<b>Total</b>	<b>427,992,549</b>	<b>39,747,309</b>	<b>0</b>	<b>467,739,858</b>	<b>207,581,628</b>	<b>33988207</b>	<b>0</b>	<b>241569835</b>	<b>226170022</b>	<b>220410923</b>
Previous Period	423,557,933	5,167,506	732,890	427,992,549	192,691,727	15,377,275	487,372	207,581,630	219,592,291	



			AS AT 30.06.2008 Rs.	AS AT 31.03.2007 Rs.
<b>SCHEDULE -F</b>				
<b>INVENTORIES</b>				
(As valued and Certified by the Management)				
Hospital Items			12,842,712	8,721,909
Consumable Stores			930,242	736,237
Pharmacy			2,201,947	2,313,215
<b>TOTAL</b>			15,974,901	11,771,361
<b>SCHEDULE -G</b>				
<b>SUNDRY DEBTORS</b>				
(Unsecured Considered Good)				
Outstanding from Less than six months			41,853,414	18,905,421
Other Debts			0	362,842
<b>TOTAL</b>			41,853,414	19,268,263
<b>SCHEDULE-H</b>				
<b>CASH AND BANK BALANCES</b>				
Cash on Hand			285,308	322,399
Balances with Bank			2,442,799	566,204
<b>TOTAL</b>			2,728,107	888,603
<b>SCHEDULE-I</b>				
<b>LOANS AND ADVANCES</b>				
(UNSECURED CONSIDERED GOOD)				
Advance Recoverable in cash or in kind or value to be received			7,479,042	8,342,815
Staff Advances			1,349,717	1,171,562
Security Deposits			5,084,282	1,950,982
Prepaid Expenses			1,134,714	613,052
Income tax Refund Due			4,973,094	2,919,603
<b>TOTAL</b>			20,020,849	14,998,014
<b>SCHEDULE-J</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>LIABILITIES</b>				
Sundry Creditors			6,710,577	7,052,314
Other Liabilities			5,743,206	8,613,386
Provision for Taxation			1,465,000	446,045
<b>TOTAL</b>			13,918,783	16,111,745

# Nineteenth Annual Report

## REGENCY HOSPITAL LIMITED

### SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

			AS AT 30.06.2008 Rs.	AS AT 31.03.2007 Rs.
<b>SCHEDULE -K</b>				
<b>Hospital Income</b>				
Hospital Income (From Services & Diagnostic)			265,625,795	141,863,069
Pharmacy and Surgical Sale			69,779,653	37,317,986
<b>TOTAL</b>			<b>335,405,448</b>	<b>179,181,055</b>
<b>SCHEDULE -L</b>				
<b>OPERATING EXPENSES</b>				
Surgical & Other Consumables			36,346,267	24,563,351
Pharmacy			34,208,095	18,644,177
Operating & Professional Exps.			103,327,366	50,867,070
<b>TOTAL</b>			<b>173,881,728</b>	<b>94,074,598</b>
<b>SCHEDULE -M</b>				
<b>POWER AND FUEL</b>				
Electricity Exps.			11,325,593	5,497,775
Disel Consumed			1,925,598	1,034,092
<b>TOTAL</b>			<b>13,251,191</b>	<b>6,531,867</b>
<b>SCHEDULE -N</b>				
<b>ADMINISTRATIVE EXPENSES</b>				
Selling Expenses			776,719	487,119
Auditors Remuneration			140,450	54,000
General Expenses			631,190	220,439
Insurance			779,772	282,428
Lease Rent			726,723	393,855
Managerial Remuneration			3,300,000	720,000
Listing Fees			29,750	15,000
Professional & Legal fees			1,160,269	464,905
Printing & Stationery			2,441,425	1,089,745
Telephone Expenses			1,531,622	958,052
Repair & Maintenance			17,115,675	9,597,120
Rent Rates & Taxes			4,032,908	1,437,599
Subscription & Periodical			128,291	52,626



	AS AT 30.06.2008 Rs.	AS AT 31.03.2007 Rs.
Travelling & Conveyance	1,554,706	742,234
Vehicle Running & Maintenance	940,924	499,031
Loss on Sale of Assets	0	145,518
<b>TOTAL</b>	<b>35,290,424</b>	<b>17,159,671</b>
<b>SCHEDULE -O</b>		
<b>INTEREST AND LEASE CHARGES</b>		
Fixed Loans	14,305,058	11,275,917
Lease Charges	8,350,000	4,950,000
Bank & Others	8,081,931	2,519,489
<b>TOTAL</b>	<b>30,736,989</b>	<b>18,745,406</b>

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# Nineteenth Annual Report

## SCHEDULE-P SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ATTACHED AND FORMING PART OF BALANCE SHEET AS AT 30.06.2008 AND PROFIT & LOSS ACCOUNT FOR THE FIFTEEN MONTHS PERIOD ENDED ON THAT DATE.

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### a) Basis of Preparation of Financial Statements :

1. The Company generally follows mercantile system of accounting and recognizes significant item of income and expenditure on accrual basis.
2. The Financial statements/ accounts are prepared under historical cost convention ,modified by re-valuation of certain Fixed Assets prepared in accordance with generally accepted accounting principles, the mandatory Accounting Standards issued by Institute of Chartered Accountants of India and the relevant provisions of the Companies Act,1956 as adopted consistently by the Company unless stated otherwise.

#### b) Revenue Recognition :

The revenue in respect of sales is recognized as and when the patient is discharged from the Hospital.

#### c) Fixed Assets :

Gross Block : All fixed assets are stated at cost .However ,fixed assets ,which are revalued by the Company ,are stated at their revalued book values.

#### d) Depreciation:

- (i) Fixed Assets are depreciated in accordance with Schedule XIV of the Companies Act, 1956 based on straight-line method on a pro-rata basis from the date of addition or up to the date of sale
- (ii) Depreciation on revalued assets is provided at the rates specified in section 205(2) (b) of the Companies Act, 1956. Additional depreciation arising due to revaluation of Fixed Assets is adjusted against General Reserve since the surplus arising on revaluation has been transferred to General Reserve as per honorable High Court order.
- (iii) Leasehold Land is being amortised over the period of lease.

#### e) Inventories Valuation :

Medical , Surgical & Other Stores: At Cost

All empties waste material accounted for upon realisation except expired Medical and surgical items .

#### f) Borrowing Costs:

Borrowing costs that are attributable to acquisition or construction of a qualifying assets are apitalized as part of such assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs recognized as an expense in the period in which they are incurred.



**g) Treatment of Retirement Benefits :**

Contribution to Provident fund is made in accordance with provisions of the Provident Fund Act, 1952 and treated as revenue expenditure. Provisions for gratuity and leave encashment benefits are made as per actual liability at the end of the accounting period.

**h) Accounting for Taxes in Income :**

Provision for Income tax comprises of current tax on fringe benefits and Minimum alternative tax (MAT) as per Income tax Act, 1961.

Deferred tax asset and liability is calculated by applying rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing difference are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to assure realisation.

**i) Earning Per Share :**

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

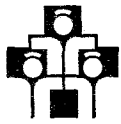
**j) Amortization and write off :**

- (i) Value of leasehold land is amortised in 30 years (lease/period) by straight-line method.

# Nineteenth Annual Report

## 2. NOTES FORMING PART OF THE ACCOUNTS

- (A) Term Loans and Working Capital limit from Kotak Mahindra Bank Ltd. is secured by equitable mortgage of immovable properties and hypothecation of movable assets including movable machinery/machinery spare tools , accessories , book debts and stocks both present and future of the Company and further guaranteed by Managing Director and whole time Director in their personal capacities.
- (B) Pursuant to the order dt. 30th April, 2008, passed by the H'onble High Court of Judicature at Allahabad under the Scheme of Arrangement as per the provisions of section 81(1A) ,94 ,100/101 and 391/ 394 of the Companies Act,1956.:
- (a) The Company has already filed an order of H'onble High Court of Judicature at Allahabad for reduction of existing equity shares 8045300 of Rs.10 fully paid up to 804530 new Equity shares of Rs.10/- fully paid to the office of Registrar of Companies ,UP and Uttaranchal . The certificate to this effect has been issued by Registrar of Companies ,UP and Uttaranchal on 9th May,2008. The Company has allotted 804530 new equity shares of Rs.10/- fully paid up on 30th June,2008.
- (b) The credit Balance in Revaluation Reserve Account Rs.11,15,96,186/- as appearing as the books of the Company as on 31.03.2007 and reserve arising on account of reduction of equity share capital Rs.7,24,07,700/- aggregating to Rs.18,40,03,886/- has been credited to "Business Reorganization Account".
- (c) The aggregate of the credit balance in the Business Reorganization Account Rs.18,40,03,886/- has been utilized to w/off the debit balance of Profit & Loss Account Rs.11,50,74,357/- as appearing in the books of the Company as on 31.03.2007.
- (d) After the adjustment in the manner set out herein above , the residuary balance in Business Reorganization Account of Rs.6,89,29,529/- has been transferred to / stand credited to General Reserve Account.
- (e) In full settlement of the Accrued Interest of Rs.553.77 Lacs as 01.04.2007 due to Kotak Mahindra Bank Ltd. , the Company has issued /allotted 2212105 Equity Shares of Rs.10/- each fully paid up at par as on 29th May,2008.
- (f) The Company has issued /allotted 55,00,000 Equity Shares of Rs.10/- each fully paid up at par to promoters ,their relatives ,HUFs or private companies under their control either amount brought in cash or conversion of outstanding unsecured loans , on 29th May,2008.
- (g) The shares issued and allotted in terms of point (e) and (f) shall be subject to minimum lock in ,if any ,as may be applicable under SEBI (Disclosure and Investors' Protection ) Guidelines . In all other respects , the new equity shares so issued and allotted to secured term creditor shall rank pari passu with the new equity shares issued in terms of this scheme and shall be governed by the provisions of the Memorandum and Articles of Association of the Company.



**(C) Contingent Liabilities :-**

- (a) Disputed demand of Customs Department (under appeal) Rs. 38.34 Lacs. The Company has filed an appeal to High Court of Judicature at Allahabad
- (b) Claims against company not acknowledged as debt -Rs.NiL(Previous Year -Rs.NiL).
- (c) Estimated amount of contract not executed on Capital Account : Rs. Nil (Previous Year -Rs.Nil)
- (d) Bank Guarantee -Rs.50 Lacs furnished to Director ,CGHS for treatment of their employees.

**(D)** Fixed deposits shown under the head Cash and Bank Balances include deposits Rs.12,50,000/- (P.Y-NIL) pledged with the Bank of Baroda as margin to secure Guarantee issued by the Bank.

**(E)** 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. Balances of Sundry Creditors, Sundry Debtors are subject to confirmation.

**(F)** Vehicles Loans from ICICI Bank Limited is secured by hypothecation of specific vehicles.

**(G)** As per information available with the Company there are no outstanding dues of more than Rs. 1 Lac owed to small scale undertakings as on 31.03.2008.

**(H)** The Company business activity fall with in a single primary business segment viz. Health Care Services the disclosure requirement of Accounting Standard 17 on Segment Reporting issued by Institute of Chartered Accountants of India is not applicable.

**(I)** Based on guiding principle given in the Accounting Standard 20 on Earning Per Share issued by Institute of Chartered Accountants of India the disclosure is given below:

	15 Months Period Ended on 30.06.08	9 Month Period Ended on 31.03.2007
Net Profit/(Loss) for the year ( Rs. In Lakhs)	83.73	22.14
Weighted average number of Equity Shares	85,19,635	80,45,300
Basic earning per share ( in Rs.)	0.98	0.28
Diluted earning per share ( In Rs.)	0.98	0.28

**J)** Based on guiding principle given in the Accounting Standard 22 on accounting for Taxes on Income issued by Institute of Chartered Accountants of India the Deferred tax asset (net) arising on account of brought forward losses and unabsorbed depreciation under tax laws are recognised only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

# Nineteenth Annual Report

**(K) Related Party Disclosure ( As identified by Management )**

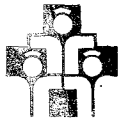
Name of Person	Relation with Company	Description of transactions during the year	2007-08 15MONTHS	2006-07 9MONTHS
Mr. A.R.Kapoor	Relative of Managing Director	Remuneration Land Rent	2,25,000.00 7,26,723.00	1,35,000.00 3,93,855.00
Dr.Atul Kapoor	Managing Director	Remuneration	19,20,000.00	4,50,000.00
Dr.Rashmi Kapoor	Whole Time Director	Remuneration	11,55,000.00	1,35,000.00

**(L) Other Information required to be disclosed:  
Managerial Remuneration paid:**

	15 Months Period Ended on 30.06.08	09 Months Period Ended on 31.03.07
Managing Director	19,20,000.00	4,50,000.00
Whole Time Director	11,55,000.00	1,35,000.00

**(M) Auditors' Remuneration:**

	30.06.2008 (15 Months)	31.03.2007 (09 Months)
a) Audit Fees	90,000.00	30,000.00
b) Tax Audit Fees	40,000.00	15,000.00
c) Other Professional Matters	10,250.00	9,000.00



# Regency Hospital Ltd.

(N) Additional Information pursuant to provisions of paragraph 3 II (c) (d) of Schedule VI to the Companies Act, 1956 is below :

Sl.No	Particulars	Stock As on 01.04.2007	Purchases (For 15 Months)	Consumed (For 15 Months)	Closing Stock As on 30.06.2008
1	Pharmacy	2313215	34096827	34208095	2201947
2	Hospital Items	8721909	40467070	36346267	12842712
3	Consumable Stores	736237	4726244	4532239	930242

(O)

	Period Ended 30.06.08 (15Months)	Period Ended 31.03.2007 (09 Months)
CIF Value of Imports	0.00	0.00
Earning in Foreign Currency	0.00	0.00
Expenditure in Foreign Currency	0.00	0.00

Previous year figures have been regrouped/ rearranged wherever necessary.

Signatures to Schedules A to P forming part of Accounts for the period ended 30th June, 2008

(As per our separate report of even date )  
**FOR JAIN DHINGRA & ASSOCIATES**  
Chartered Accountants

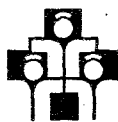
R.N.Dhingra

Partner  
Membership No.15385

DATE : 24.07.2008  
PLACE : KANPUR

**For and on behalf of the Board**

Dr.Atul Kapoor-Managing Director  
Dr.Rashmi Kapoor-Whole time Director  
Santosh K.Gupta-Chief Financial Officer



# Regency Hospital Ltd.

## PART-V

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration Details

Registration 

0	8	7	9	2
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 State Code 

2	0
---	---

Balance Sheet Date 

3	0
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0	6
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2	0	0	8
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#### II. Capital Raised during the year (Amount in Rs.Thousands)

Public Issue

		N	I	L			
--	--	---	---	---	--	--	--

Bonus Issue

		N	I	L			
--	--	---	---	---	--	--	--

Right Issue

			N	I	L		
--	--	--	---	---	---	--	--

Private Placement

			0	0	0		
--	--	--	---	---	---	--	--

#### III. Position of Mobilisation and deployment of funds year (Amount in Rs.Thousands)

Total Liabilities

0	0	3	0	8	7	7	4
---	---	---	---	---	---	---	---

##### Source of Funds

Paid -up Capital (inc.Share Application Money)

0	0	0	8	5	1	9	6
---	---	---	---	---	---	---	---

Secured Loans

0	0	1	2	3	4	6	7
---	---	---	---	---	---	---	---

##### Application of Funds

Net Fixed Assets

0	0	2	2	6	1	7	0
---	---	---	---	---	---	---	---

Net Current Assets

0	0	0	6	6	6	5	8
---	---	---	---	---	---	---	---

Total Assets

0	0	3	0	8	7	7	4
---	---	---	---	---	---	---	---

Reserves & Surplus

	0	0	7	1	5	3	4
--	---	---	---	---	---	---	---

Unsecured Loans

	0	0	1	4	6	5	8
--	---	---	---	---	---	---	---

Investments

0	0	0	0	0	0	0	0
---	---	---	---	---	---	---	---

Misc.Expenditure

0	0	0	0	0	0	0	0
---	---	---	---	---	---	---	---

#### IV. Performance of Company(Amount in Rs.Thousands)

Turnover

0	0	3	3	6	1	6	4
---	---	---	---	---	---	---	---

Profit/-Loss Before Tax-

0	0	0	0	0	9	8	3	8
---	---	---	---	---	---	---	---	---

Earning Per Share

0	0	0	0	0	0	0	0	1
---	---	---	---	---	---	---	---	---

Total Expenditure

0	0	3	2	6	3	2	6
---	---	---	---	---	---	---	---

Profit/-Loss After Tax

0	0	0	0	8	3	7	3
---	---	---	---	---	---	---	---

Dividend Rate

0	0	0	0	0	0	0	0
---	---	---	---	---	---	---	---

#### V. Generic Name of Three Principal Products/Services of Company ( As per Monetary Terms)

Item Code No.(ITC CODE) 

N	A
---	---

Product Description 

H	O	S	P	I	T	A	L		A	N	D		D	I	A
---	---	---	---	---	---	---	---	--	---	---	---	--	---	---	---

G	N	O	S	T	I	C		S	E	R	V	I	C	E	S
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Item Code No.(ITC CODE) 

N	A
---	---

Product Description 

N	A
---	---

As per our separate report of even date

**For JAIN DHINGRA & ASSOCIATES**

Chartered Accountants

(R.N.DHINGRA),

Partner

**For and on behalf of the Board**

Dr.Atul Kapoor -Managing Director

Dr.Rashmi Kapoor-Whole Time Director

Santosh K Gupta -Chief Financial Officer

Place: Kanpur

Date:24.07.08

# Nineteenth Annual Report

## REGENCY HOSPITAL LIMITED

### CASH FLOW FOR THE 15 MONTHS PERIOD ENDED 30TH JUNE, 2008

Particulars		Apr-07 to Jun-08		July-06 to Mar-07
<b>(A) CASH FLOW FROM OPERATIONS ACTIVITIES</b>		<b>Rs.</b>		<b>Rs.</b>
Net Profit/-Loss before tax		83.73		26.60
Depreciation		282.19		153.77
Interest & Financial Charges		307.37		187.45
Prior Period Items		0.00		2.64
Loss on Sale of Assets		0.00		1.46
Operating Profit before Working Capital Changes		673.29		371.92
Adjustment for Trade & Other Receivable		-276.08		-17.47
Inventories		-42.04		-2.71
Trade Payables		-21.93		-28.92
Cash Generated from Operations		333.24		322.82
Interest Paid		307.37		187.45
Taxation		14.65		4.46
Adjustment in Reconstruction Reserve		-738.73		0.00
<b>Net Cash Flow Operating Activities</b>		<b>749.95</b>		<b>130.91</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	417.74		39.86	
Proceeds from Sale of Assets	0.00	417.74	1.00	38.86
<b>Net Cash used in Investing Activities</b>		<b>417.74</b>		<b>38.86</b>
		<b>332.21</b>		<b>92.05</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Share Capital		47.43		0.00
Proceeds from Borrowings		-449.33		-146.73
Proceeds from Working Capital		88.08		46.38
Net Cash from Financing Activities		-313.82		-100.35
<b>Net Increase /(decrease) in Cash &amp; Cash Equivalent</b>		<b>18.39</b>		<b>-8.30</b>
Cash & Cash Equivalent as at 01.04.2007		8.89		17.19
Less :Cash or Cash equivalent as at 30.06.2008		27.28		8.89
<b>Net Increase /(decrease) in Cash &amp; Cash Equivalent</b>		<b>18.39</b>		<b>-8.30</b>

Note : Figures in - Represent Outflows  
(As per our separate report of even date )

**FOR JAIN DHINGRA & ASSOCIATES**

Chartered Accountants

R.N.Dhingra

Partner

Membership No.15385

DATE : 24.07.2008

PLACE :KANPUR

To,

The Board of Directors,

REGENCY HOSPITAL LIMITED

**For and on behalf of the Board**

Dr.Atul Kapoor-Managing Director

Dr.Rashmi Kapoor-Whole time Director

Santosh K.Gupta-Chief Financial Officer

We have examined the attached Cash flow statement of Regency Hospital Limited for the period ended 30th June, 2008. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of listing agreements with the stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 24th July, 2008 to the members of the Company.

**For JAIN DHINGRA & ASSOCIATES**

Chartered Accountants

R.N. Dhingra

Partner

DATE : 24.07.2008

PLACE :KANPUR



*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 19th ANNUAL GENERAL MEETING of the Company at A-2, Sarvodaya Nagar, Kanpur at 10.00 A.M. on Monday, 15th Sept. 2008.

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

\_\_\_\_\_  
Signature

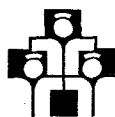
Folio No.....

\_\_\_\_\_  
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 Nineteenth Annual General Meeting of the  
Company to be held on Monday, 15th September, 2008.

As witness my/our hand(s) this.....day of.....2008

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.....