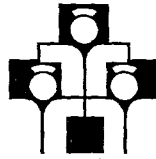


Regency Hospital Ltd.

21st Annual Report

2009-2010





Regency Hospital Ltd.

BOARD OF DIRECTORS

SHRI R. L. SRIVASTAVA

DR. ATUL KAPOOR

DR. RASHMI KAPOOR

SHRI ANIL KUMAR KHEMKA

DR. SHYAM SWARUP AGARWAL

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

AUDITORS

M/s. JAIN DHINGRA & ASSOCIATES

Chartered Accountants

KANPUR

MAIN BANKERS

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

REGISTERED OFFICE

A-2, SARVODAYA NAGAR,
KANPUR - 208005

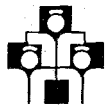
HOSPITAL

A-2, SARVODAYA NAGAR,
KANPUR - 208 005

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NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of **REGENCY HOSPITAL LIMITED** will be held on Saturday, September 18, 2010 at 10.00 A.M. at the Registered Office of the Company at A-2, Sarvodaya Nagar, Kanpur-208005 to transact the following business:-

1. To receive, consider and adopt the Audited Profit & Loss Account for the period ended March 31, 2010, Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Rashmi Kapoor, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"**RESOLVED THAT** pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging, hypothecating and / or charging of all or any of the assets or properties of the Company, movable or immovable, both present and future including the whole or substantially the whole of the undertaking(s) of the Company in favour of Banks and / or Financial Institutions and / or Corporate Bodies for securing the Loans or other Borrowings obtained or to be obtained by the Company upto an amount not exceeding in aggregate a sum of Rs. 50.00 Crores together with interest, cost, charges, expenses and any other money payable by the Company to the said Bank and / or Financial Institutions and / or Corporate Bodies.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to execute all necessary documents, writings, papers etc. and to do all acts, deeds, matters and things as may be considered necessary for the purpose of giving effect to the above resolution and the matters incidental and consequential thereto."

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

"**RESOLVED THAT** pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to borrow any sum or sums of money from time to time notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the Paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so however, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed a sum of Rs.50.00 Crores ."

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

By Order of the Board

Dated: July 31, 2010

(KAMINI GUPTA)
Company Secretary

Notes :

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

Proxy in order to be effective must be deposited at the Registered Office of the Company not less than 4 Hours before the commencement of the Meeting.
2. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report of the meeting.
4. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all the working days, between 11.00 A.M. and 1.00 P.M. upto the date of the Meeting.
5. An Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of Item Nos. 4 and 5 annexed hereto.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 14, 2010 to Saturday, September 18, 2010 (both days inclusive).
7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agent, M/s Skyline Financial Services (P) Limited, New Delhi.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.



9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent (RTA), for consolidation into a single folio.
11. In terms of Clause 49 of the Listing Agreement information on Directors seeking appointment at this Annual General Meeting is as under:

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

ANNEXURE TO THE NOTICE

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

Item No. 4:

With a view to empower the Board of Directors of the Company to raise additional resources to match the business plans and for the purpose to provide such Securities by creation of charge and / mortgage on the movable / immovable assets / properties and undertaking(s) of the Company, it is proposed to have enabling approval from the members for the creation of security on the Assets of the Company upto an amount not exceeding Rs. 50.00 Crores in terms of the provisions of Section 293 (1) (a) of the Companies Act, 1956. The Board recommend the proposed resolution for acceptance by the Members.

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

Item No. 5 :

Pursuant to the provisions of Section 293 (1) (d) of the Companies Act, 1956 the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting borrow moneys, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business in excess of the Paid-up

Share Capital and free reserves of the Company that is to say reserves not set apart for any specific purpose.

Keeping in view the existing and future plans of the Company, it has been considered desirable to obtain the members approval for an amount not exceeding Rs.50.00 Crores at any point of time. The Directors recommend the proposed resolution for acceptance by the Members.

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

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

By Order of the Board

(KAMINI GUPTA)
Company Secretary

July 31, 2010
Kanpur



DIRECTORS' REPORT

To,
The Members of
REGENCY HOSPITAL LIMITED

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

FINANCIAL RESULTS

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

Amount
(Rs. in Lacs)

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

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

OPERATIONS

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

AMALGAMATION OF ABHIREV HEALTHCARE PRIVATE LIMITED WITH THE COMPANY

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

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

UPGRADATION AND EXTENSIONS

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

DIVIDEND

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

FINANCIAL REVIEW AND ANALYSIS

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

DIRECTORS

In terms of the provisions of Section 256 of the Companies Act, 1956, read with Articles of Association of the Company, Dr.(Mrs) Rashmi Kapoor, Whole time Director retires from Board by rotation and is eligible for re-appointment.

AUDITORS

M/s. Jain Dhingra & Associates, Chartered Accountants, Kanpur, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and they are eligible for re-appointment. The observations of Auditors in their Report read with notes to the Accounts are self explanatory and do not call for any further explanation.



STATUTORY INFORMATION

A. PARTICULARS OF EMPLOYEES

As none of the Employees of the Company was in receipt of remuneration in excess of the limits prescribed, particulars of Employees under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended are not required to be given.

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

Although operations of the Company are not energy intensive, steps are being taken to conserve energy in all possible areas. As the Company is engaged in the business of dispensation of Medical services, particulars relating to conservation of Energy in the prescribed format and Technology Absorption as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 being inapplicable are not given. There have been no earnings/expenditure in foreign exchange during the year under review.

C. LISTING INFORMATION

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

D. CORPORATE GOVERNANCE

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

E. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

F. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of the Annual Accounts for the year ended March 31, 2010, the applicable Accounting Standards have been followed alongwith proper explanation relating to material departures.
- b) they have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial year and of the Profit of the Company on that date.

- c) they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 1956, for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- d) they have prepared Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS

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

By Order of the Board

Place: Kanpur
Date: July 31, 2010

(R.L. SRIVASTAVA)
CHAIRMAN

MANAGEMENT DISCUSSION ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is a fast growing economy and has become an important market in the world. India's rapid growth has brought about many changes in its demographics and lifestyle. Rising incomes, hectic pace of life and stress have resulted change in disease patterns, coupled with a greater awareness about health and preventive measures and a demand for quality healthcare.

According to Technopak Advisors Report - India Healthcare Trends 2008, healthcare is a US\$ 35 billion industry and is expected to grow up to US\$ 75 billion by 2012, likewise to US\$ 150 billion industry by 2017. Indian healthcare industry has distinct merits of clinical excellence and low costs. This sector tenders much potential to healthcare players as there are frequent lifestyle-related and other diseases in the country. The increasing elderly population and increase in income levels are also urging for better facilities in the industry.

The health-conscious middle class who can afford and wants quality healthcare is the main driver of the growing sector.

HEALTH INSURANCE

There is a tremendous scope for growth in the health insurance sector, as the sector at present covers only 10% of the entire Indian population. According to a study by the Chamber of Commerce and Industry, the health insurance sector is expected to grow to US\$ 5.75 billion by 2010.

HEALTHCARE AND IT

Hospitals have realised that information technology (IT) can be an effective tool towards efficient systems. According to a report by Springboard Research, India has the fastest growing healthcare IT market in Asia, with an expected growth rate of 22 per cent, followed closely by China and Vietnam. In fact, the Indian healthcare technology market is poised to be worth more than US\$ 254 million by 2012. Information Technology has made a significant impact on the healthcare sector. 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 the 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.

OPPORTUNITIES AND FUTURE PROSPECTS

Despite severe global recession and meltdown Indian economy seems to be doing reasonably well. Economists predict a sustained but reduced (6% to 8%) growth for the next two years. Already many companies have started mobilising their plans for raising capital for new ventures through various methods. This augurs well for the Indian healthcare. It is believed that the world economy is reviving and FDI and FN are expected to flow into the country even though US and the Western economies will be still struggling with negative growth or marginal growth rates.

Even at the height of recession the sectors like food, health and education were insulated and they have continued to grow. It is also interesting to note that the State and Central Government has realised that enough was not done during the last 50 years after independence for the social sectors like higher education and health. This led to the huge investments in these sectors.

Unlike developed economies, India will continue to have more cosmetic surgeries and non-surgical cosmetic procedures in 2009. Anti-aging procedures such as neck lifts and face lifts and liposuction procedures are some of the most sought-after cosmetic procedures in India.

India has some of the best hospitals and treatment centres that are equipped with infrastructure and technology, which are at par with those in the US, the UK and Europe, at a fraction of the cost. We need to leverage this more effectively in the coming years.

The key business opportunities are in clinical research, pharmaceuticals & food supplements, biotechnology, diagnostic centres, pharmacy chains, training & education opportunities, knowledge & business process outsourcing, medical equipment, consumables and specialized consultancy services.

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. These additional beds will be required for specialty healthcare needs such as cancer and cardiac diseases in view of the growing incidence of such diseases. Since the Company is becoming stronger day by day, the required finance for the expansion / modernization programme can be mobilised from Banks / Financial Institutions.

The competition from the un-organised sector would be met by delivering quality health care on par with international standards which the un-organised sector lacks in view of constraints in investment to create a quality hospital. There is also the risk of attrition of losing the trained and experienced professionals and the investment made on them in their training.

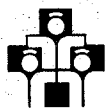
Because of increased opportunities, many private players are entering into this sector. Your Company can counter this challenge because it has an early bird advantage and also by providing focused health care delivery and by deploying the state of the art equipments backed up by a panel of expert Doctors.

COMPANY OVERVIEW

Regency Hospital is one amongst corporate hospital in Uttar Pradesh consisting of 225 beds at present. Our core business activity is the provision of healthcare services. We provide the following services:

- Hospital Services
- Pharmacy Services
- Consulting Services

We are primarily a hospital service provider with broad range of services including cardiology, nephrology, neurology, gastrology and other super specialities, laboratory services, radiology and maternity and day care, general surgery as well as diagnostic and emergency services. Medical infrastructure is the best 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 of medical care.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established an appropriate system of internal control to ensure that there exists a proper control over all the transactions and that all its assets are properly safeguarded and not exposed to risk arising out of unauthorized use or disposal. The Internal Audit conducted at all divisions for all the key areas of business. The Internal Control System is supplemented by a programme of Internal Audits to ensure that the assets are properly accounted for and the business operations are conducted in adherence to the laid down policies and procedures. The Internal Audit is oriented towards review of controls and operational improvements.

DISCUSSION ON FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

OVERVIEW

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, Accounting Standards as laid down by the Institute of Chartered Accountants of India and Generally Accepted Accounting Principles in India. Our management accepts responsibility for the integrity and objectivity of these financial statements as well as various estimates and judgments used therein.

Abhirev Healthcare Private Limited (AHPL) merger with Regency Hospital Limited :

Value creation through scale and synergies

Merger of Abhirev Healthcare Private Limited with Regency Hospital Limited has enabled seamless integration of operational scale and financial synergies that existed between the two Companies. Assets and liabilities of Abhirev Healthcare Private Limited have been transferred to Regency Hospital Limited with effect from 1st April, 2009, as per the Scheme sanctioned by the Hon'ble High Court of Allahabad. The Erstwhile Shareholders of Abhirev Healthcare Private Limited received 2 (TWO) shares of the Company in lieu of every 3 (THREE) shares of Abhirev Healthcare Private Limited held by them, as per the Scheme of Amalgamation. Accordingly, 839033 (Eight Lacs Thirty Nine Thousand Thirty Three) Equity Shares of Rs. 10/- (Ten) each of Regency Hospital Limited have been allotted to the erstwhile shareholders of Abhirev Healthcare Private Limited.

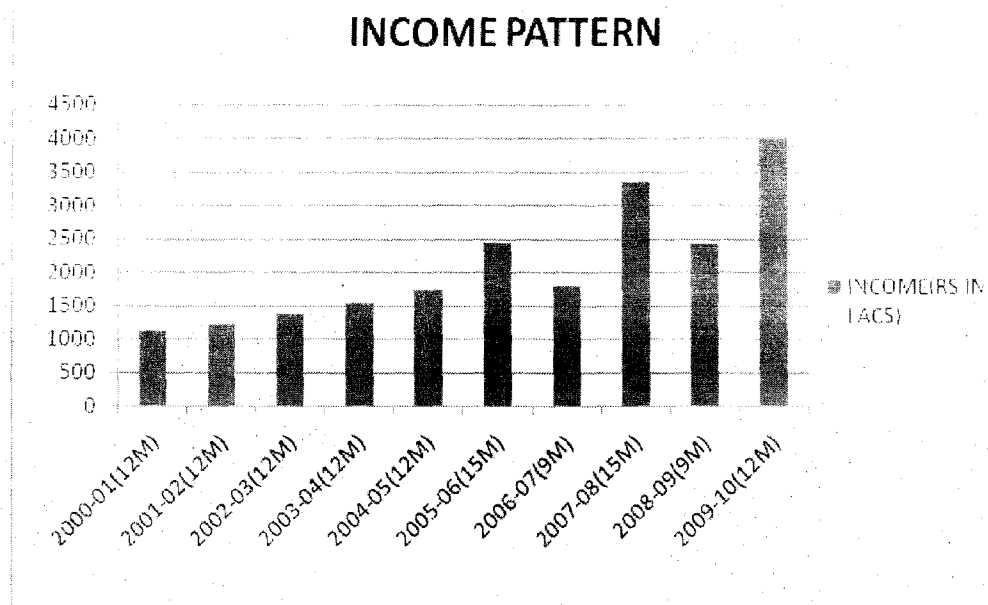
FINANCIAL CONDITIONS

At present we have only one class of shares i.e Equity Shares of par value of Rs. 10/- each. Upon consequent to the Scheme of Amalgamation, the Authorised Share Capital is Rs. 1140 Lacs divided into 1,14,00,000 Equity Shares of Rs. 10/- each. The Company is having Reserves & Surplus amounting to Rs. 1384.83 Lacs as at 31st March, 2010. During the year, the Gross Block of the Company has increased by Rs. 1195.97 Lacs which includes Rs.661.72 Lacs by way of adding new fixed assets and Rs.534.25 Lacs by way of amalgamation of AHPL with the Company. All fixed assets are stated at their original cost of acquisition less depreciation and impairment losses are recognized where necessary. However, fixed assets, which are revalued by the Company, are stated at their revalued book values.

RESULTS OF OPERATIONS

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

INCOME PATTERN

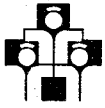


MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

In a people driven service industry like healthcare, we ensure that we deliver care and attention to patients. Our Company comprises of medical staff like doctors and nurses, paramedical staff like laboratory technician, pathologists, radiologists, ECG operators, support staff for the house keeping and non medical staff that cover the finance, materials, marketing and administration functions. Our employees are our assets as they are the key players for our growth and success of the organization. Our human resource team strives to align the HR policies with the business goals of the organization and also help in creating a performance driven culture.

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

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

1. Corporate Governance Philosophy :

Your Company is committed to Corporate Governance in all its activities and practising the same since inception. It is our belief that we move closer towards our aspirations that gives us confidence of having put in the right building block for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner. We are committed to meeting the aspirations of all our stakeholders. Your board exercises its fiduciary responsibilities in the widest sense of term. We endeavor to enhance long term shareholder value and respect minority rights in all our business decisions.

The essence of your Company's Corporate Governance policy lies in promoting and maintaining integrity, transparency and accountability in the higher echelons of management. Good Corporate Governance apart from other things ensured application of best management practices, compliance of Law in true letter and spirit and adherence to ethical standards and discharge of social responsibility for sustainable development and growth of the shareholders.

2. Board of Directors:

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

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

All the members of the board are having core competence in their own field. The Board meets at regular intervals and in addition to review operations, formulates Corporate policies and sets up goals. All the required information was suitably placed before the Board to the extent possible at the Board Meetings. 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
Executive-Whole time Director :			
1. Dr. Atul Kapoor (Managing Director)	2	--	2
2. Dr. Rashmi Kapoor (Whole-time Director)	1	--	1
Non-Executive Directors :			
3. Shri R.L. Srivastava (Chairman)	2	1	1
4. Shri Anil Kumar Khemka	2	2	1
5. Dr. Shyam Swarup Agarwal	1	--	2

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.

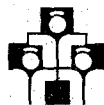
Board Meetings and Attendance :

During the Financial period from 1st April, 2009 to 31st March, 2010, Six Board Meetings were held on the following date(s) 25th June, 2009, 28th July, 2009, 29th October, 2009, 30th January, 2010, 26th February, 2010 and 31st March, 2010.

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
Shri R.L. Srivastava	6	2	No
Dr. Atul Kapoor	6	6	Yes
Dr. Rashmi Kapoor	6	4	Yes
Shri Anil Kumar Khemka	6	6	Yes
Dr. Shyam Swarup Agarwal	6	3	No

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



3. 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. 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. A declaration signed by the Managing Director of the Company is given below:

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with Code of Business Conduct and Ethics for Directors and management personnel in respect of the financial year 2009-2010.

Dr. Atul Kapoor

Managing Director

4. 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, 2009 to 31st March, 2010, Five Meetings of the Audit Committee were held on the following date(s) 22nd April, 2009, 25th June, 2009, 28th July, 2009, 29th October, 2009 and 30th January, 2010.

The composition and 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 of following Directors as Members:

Shri Anil Kumar Khemka	-	Chairman (having financial background)
Shri R.L. Srivastava	-	Member
Dr. Atul Kapoor	-	Member
Dr. Shyam Swarup Agarwal	-	Member

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

Name of the Committee Member	No. of Meetings held*	No. of Meetings Attended
Shri Anil Kumar Khemka, Chairman	5	5
Shri R.L. Srivastava, Member	5	3
Dr. Atul Kapoor, Member	5	5
Dr. Shyam Swarup Agarwal, Member	5	3

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

5. REMUNERATION / COMPENSATION COMMITTEE:

The Company had constituted a Remuneration Committee in the Year - 2003 which was lastly re-constituted on 24th March, 2009.

Terms of Reference

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

- Salary (including annual increments).
- Perquisites and Commission to be paid to the Company's Managing / Whole-time Directors (MD/ WTD's).
- 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.

Composition and Attendance:

The present Committee comprises of the following Directors as Members;

Shri R.L. Srivastava,	Chairman
Shri Anil Kumar Khemka,	Member
Dr. Shyam Swarup Agarwal	Member

No Meeting of the Remuneration Committee was held during the period from 1st April, 2009 to 31st March, 2010.

REMUNERATION OF DIRECTORS:

Following are the details of Director's remuneration for the period from 1st April, 2009 to 31st March, 2010.

Executive Directors

Name of Director	Salary (Rs.)	Commission (Rs.)	Service Contract (Tenure)	Stock option with details if any
Dr. Atul Kapoor (Managing Director)	18,60,000/- (p.a)	----	Upto 31.08.2013	Nil
Dr. Rashmi Kapoor (Whole-time Director)	11,40,000/- (p.a)	----	Upto 31.08.2013	Nil

Non-Executive Directors:

Name of Director	Sitting Fees (Rs.)	Commission (Rs.)	No. of shares held as on March 31, 2010
Shri R.L. Srivastava	15,500/-	----	----
Shri Anil Kumar Khemka	36,500/-	----	310
Dr. Shyam Swarup Agarwal	19,500/-	----	----

MANAGEMENT DISCUSSION & ANALYSIS

This is given as a separate Chapter in Annual Report.

6. SHARE TRANSFER & TRANSMISSION CUM INVESTORS' GRIEVANCE COMMITTEE:

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. 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, fifteen Share Transfer & Transmission cum Investors' Grievance Committee Meetings were held on 10th April, 2009, 30th April, 2009, 20th May, 2009, 10th June, 2009, 20th June, 2009, 10th September, 2009, 20th October, 2009, 30th November, 2009, 31st December, 2009, 20th January, 2010, 30th January, 2010, 10th February, 2010, 20th February, 2010, 20th March, 2010 and 31st March, 2010.

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

Name of Committee Member	Shri Anil Kumar Khemka (Chairman)	Dr. Atul Kapoor (Member)	Dr. Rashmi Kapoor (Member)	Dr. Shyam Swarup Agarwal (Member)
No. of meetings held during the tenure	15	15	15	15
No. of Meetings attended	15	15	15	---

Details of Shareholder's Complaints during the year 2009-10

The total number of complaints / queries received and replied to the satisfaction of Shareholders during the period from 1st April, 2009 to 31st March, 2010 were 6. There were no outstanding complaints / queries as on 31st March, 2010.

7. GENERAL BODY MEETINGS :

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

Financial Year	Date	Time	Venue
2006-2007	29.09.2007	10.00 A.M	A-2, Sarvodaya Nagar, Kanpur.
2007-2008	15.09.2008	10.00 A.M	A-2, Sarvodaya Nagar, Kanpur.
2008-2009	12.08.2009	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 of the Company:

Date & Time of AGM	Whether Special Resolution passed	Summary
September 29, 2007 10.00 AM	Yes	Delisting of Securities under Section 61 of the Companies Act, 1956, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, from the Ahmedabad, Jaipur and Calcutta Stock Exchanges.
September 15, 2008 10.00 AM	Yes	(i) Re-appointment of Dr. Atul Kapoor as Managing Director of the Company under Section 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, for a further period of five years with effect from 1st September, 2008 on the terms and conditions as approved by the Remuneration Committee.

Date & Time of AGM	Whether Special Resolution passed	Summary
		(ii) Re-appointment of Dr. Rashmi Kapoor as Whole-time Director of the Company under Section 269, 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, for a further period of five years with effect from 1st September, 2008 on the terms and conditions as approved by the Remuneration Committee.
		(iii) Delisting of Securities under Section 61 of the Companies Act, 1956, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, from the Ahmedabad, Jaipur and Calcutta Stock Exchanges.
August 12, 2009 10.00AM	No	No special resolution was passed.

- (b) Through postal ballot last year (Yes / No) : No
- Details of voting pattern : N.A
- Person who conducted the postal ballot : N.A
- exercise

- (c) Are proposed to be conducted through postal ballot (Yes / No): No

Details of other Meetings (EGM) :

No Extraordinary General Meeting was held during the period under review.

SCHEME OF AMALGAMATION PROVIDING MERGER OF ABHIREV HEALTHCARE PRIVATE LIMITED (AHPL) WITH REGENCY HOSPITAL LIMITED (RHL)

The Scheme of Amalgamation providing Merger of Abhirev Healthcare Private Limited with Regency Hospital Limited has enabled seamless integration of operational scale and financial synergies that existed between the two Companies. The assets and liabilities of Abhirev Healthcare Private Limited have been transferred to Regency Hospital Limited with effect from 1st April, 2009 (Appointed date), as per the approval granted by the Hon'ble High Courts of Allahabad. Shareholders of Abhirev Healthcare Private Limited received 2 (TWO) shares of Regency Hospital Limited in lieu of every 3 (THREE) shares of Abhirev Healthcare Private Limited held by them, as per the Scheme of Amalgamation. Accordingly, 8,39,033 (Eight Lacs Thirty Nine Thousand Thirty Three) Equity Shares of Rs. 10/- (Ten) each of Regency Hospital Limited have been allotted to the erstwhile shareholders of Abhirev Healthcare Private Limited.

DISCLOSURES :

- (a) Related party transactions with them as required under AS- 18 are furnished under Note No. 2 (I) of the Notes of Accounts attached with the financial statements for the year ended March 31, 2010.

No transaction of material nature has been entered into by the Company with its Promoters, the Directors

or the Management, their subsidiary or relatives etc. that may have any potential conflict with the interest of the Company.

- (b) 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.

Bombay Stock Exchange (BSE) has imposed penalty for reinstatement of trading of shares in exchange since the trading in Equity shares of the Company was suspended.

MEANS OF COMMUNICATION :

- (a) **Quarterly Results** : Quarterly Results are published in 'Swatantra Bharat' and 'Pioneer' and are displayed on the Company's website www.regencyhospital.in.
- (b) **New Releases, Presentations etc** : Official news releases, detailed presentations made to media are displayed on the Company's website
- (c) **Website** : The Company's website www.regencyhospital.in
- (d) **Annual Report** : Annual Report containing inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other information circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- (e) **Chairman's Communique** : Printed copy of the Chairman's Speech is distributed to all the shareholders at the Annual General Meetings.

9. 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

(Day, Date, Time and Venue):

Saturday, September 18, 2010 at 10:00 A.M.

A-2, Sarvodaya Nagar,

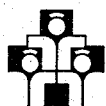
Kanpur -208005

Financial Calendar (tentative):

Financial Year: April 1, 2010 to March 31, 2011

Results for the quarter ending:

June 30, 2010	-	Last week of July, 2010
September 30, 2010	-	Last week of October, 2010
December 31, 2010	-	Last week of January, 2011
March 31, 2011	-	Last week of April, 2011
Annual General Meeting	-	August, 2011



Date of Book Closure :

Tuesday, September 14, 2010 to Saturday, September 18, 2010 (both days inclusive) for the Annual General Meeting.

Listing on Stock Exchanges:

Bombay Stock Exchange Limited (BSE)

Phiroze Jeejeebhoy 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

- (i) The Stock Exchange, Mumbai upto the Financial Year 2010-2011.
- (ii) The Uttar Pradesh Stock Exchange Association Ltd., Kanpur upto the Financial Year 2010-2011.

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

Okhla 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 the 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.

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, 2010, 29.24% of the Share Capital stands dematerialised. BSE and UPSE have permitted trading of RHL's shares into trading segment w.e.f. May 20, 2010.

Distribution of Shareholding as on March 31, 2010

No. of Equity Shares Held	No. of Shareholders	Nos. % of Total	Nos. of Shares Held	Shares Held % of Total
1-500	16,297	99.59	2,44,750	2.62
501-1000	14	0.09	12,203	0.13
1001-2000	07	0.04	12,570	0.13
2001-3000	04	0.02	11,820	0.13
3001-4000	04	0.02	14,573	0.16
4001-5000	03	0.02	15,000	0.16
5001-10,000	03	0.02	23,100	0.25
10,001 and above	32	0.20	9024652	96.43
TOTAL	16,364	100.00	93,58,668	100.00

Shareholding pattern as on March 31, 2010

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	Share holding of Promoters and Promoter Group :			
(1)	Indian	34	66,21,928	70.76
(2)	Foreign	0	0	0.00
	Total Shareholding of Promoter and Promoter Group	34	66,21,928	70.76
(B)	Public Shareholding :			
(1)	Institutions	14	22,99,635	24.57
(2)	Non Institutions	16,316	4,37,105	4.67
	Total Public Shareholding	16,330	27,36,740	29.24
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0
	TOTAL (A)+(B)+(C)	16,364	93,58,668	100.00

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) 2242201 -10

Fax No. (91) (0512) 2213407

E.Mail: rhl-999@sancharnet.in

Website: www.regencyhospital.in

Investor queries etc may be addressed to :

(with respect to the Financial Statements of the Company)

Mr. Santosh K Gupta

Chief Financial Officer

Regency Hospital Limited

A-2, Sarvodaya Nagar, Kanpur - 208005.

(with respect to Shares and Secretarial matters)

Ms Kamini Gupta

Company Secretary

Regency Hospital Limited

A-2, Sarvodaya Nagar, Kanpur - 208005.

AUDITORS' CERTIFICATE

To,
The Members,
The 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, 2010 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 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.

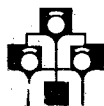
As required by the guidance note issued by Institute of Chartered Accountants of India we have to state that based on the report given by the Registrars of the Company to the Investor Grievance Committee as on 31st March, 2010, there were no investor grievance against the Company remaining unattended/ 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 Accountant)

July 31, 2010
Kanpur

R.N. Dhingra
Partner
M.No. 15385



CEO/CFO CERTIFICATION

The Board of Directors,
REGENCY HOSPITAL LTD.,
Kanpur.

Re: Financial Statements for the period ended 31st March, 2010

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, 2010 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 31st March, 2010 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.

July 31, 2010
Kanpur

(Dr. Atul Kapoor)
Managing Director

(Santosh K. Gupta)
Chief Financial Officer

FINANCIAL STATEMENTS & NOTES



AUDITORS' REPORT

To,
The Members of
Regency Hospital Limited,

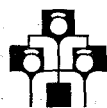
1. We have audited the attached Balance Sheet of **REGENCY HOSPITAL LIMITED** as at March 31, 2010, the Profit & Loss Account and Cash Flow Statement for year ended on that date both annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility 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 (CARO) as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give 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 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 March 31, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 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 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 March 31, 2010;
- 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
Chartered Accountants

R.N.Dhingra
Partner
Membership No.15385

July 31, 2010
Kanpur



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 MARCH 31, 2010)

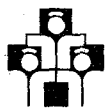
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- i. In respect of its Fixed Assets :
- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a programme of physical verification of fixed assets by which all fixed assets are verified in phased manner over period of 2 years. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. According to information and explanations given to us no material discrepancies were noticed on such verification.
 - c. The Company has not disposed off any substantial fixed assets during the year.
- ii. In respect of its 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. 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.315.59 Lacs from 7 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.315.59 Lacs from 7 parties, listed in the register maintained under section 301 of the Companies Act, 1956.
 - d. Such Loan is not due for repayment.
- iv. In our opinion and according to information and explanations given to us, and having regard to the explanation that some of the items are purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures 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

- weaknesses in internal control system.
- 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 arrangement referred to in Section 301 that 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 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 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 given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for any activities of 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 March 31, 2010 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, 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 Act, 1962	Custom Duty	38.45	19.23	1990-93	Appeal filed in Allahabad High Court

- x. The company has no accumulated losses as at March 31, 2010. The Company has not incurred any cash losses either during the financial year on that date or in 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.



Regency Hospital Ltd.

- xiii. 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.
- xiv. 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.
- xv. 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.
- xvi. 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.
- xvii. 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.
- xviii. The Company has not issued any debentures during year.
- xix. 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.
- xx. 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

Chartered Accountants

R.N.Dhingra

Partner

Membership No.15385

July 31, 2010
Kanpur

REGENCY HOSPITAL LIMITED
BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	AS AT 31.03.2010	AS AT 31.03.2009
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
(a) Share Capital	A	93,586,680	85,196,350
(b) Reserves & Surplus	B	138,483,194	111,592,858
2. Loan Funds			
I. Secured Loans	C	142,700,462	122,175,905
II. Unsecured Loans	D	71,558,515	21,893,465
TOTAL		446,328,851	340,858,578
II. APPLICATION OF FUNDS			
1. Fixed Assets	E		
Gross Block		615,681,045	496,083,324
Less : Depreciation		292,703,430	259,984,168
Net Block		322,977,615	236,099,156
Capital Work-in-Progress		0	7,539,595
Deferred Tax Assets(Refer Note No.F of Schedule-P)		23,992,995	30,421,815
2. Current Assets, Loans and Advances			
Inventories	F	18,822,487	15,153,571
Sundry Debtors	G	63,911,387	44,261,049
Cash and Bank Balances	H	6,504,550	2,877,155
Loans and Advances	I	29,443,050	18,355,217
		118,681,474	80,646,992
3. Less: Current Liabilities and Provisions	J		
Current Liabilities		19,337,993	13,848,980
Net Current Assets		99,343,481	66,798,012
Miscellaneous Expenditure			
(To the Extent not written off or adjusted)		14,760	0
TOTAL		446,328,851	340,858,578

Accounting Policies and Notes on Accounts

P

(As per our separate report of even date)

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

R.N.Dhingra

Partner

Membership No.15385

July 31, 2010

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

Kamini Gupta-Company Secretary

REGENCY HOSPITAL LIMITED
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

	Schedule	April 2009 to March 2010	July 2008 to March 2009
INCOME			
Hospital Income	K	397,206,150	243,080,689
Other Income		3,269,760	837,154
TOTAL		400,475,910	243,917,843
EXPENDITURE			
Operating Expenses	L	210,622,230	123,892,157
Power and Fuel	M	12,990,634	7,672,876
Payment and Benefit to Employees		57,000,956	34,848,299
Administrative Expenses	N	44,728,906	23,625,054
TOTAL		325,342,726	190,038,386
Profit/ (Loss) before Depreciation and Interest		75,133,184	53,879,457
Less : Depreciation		30,184,316	18,414,333
Less : Interest	O	27,170,561	27,157,329
		57,354,877	45,571,662
Net Profit/ (Loss) Before Tax		17,778,307	8,307,795
Less : Provision For Tax			
Current Year Tax		3,021,420	747,000
Fringe Benefit Tax		0	116,000
Deferred Tax (Assets) / Liability		6,428,820	(30,421,815)
Short / (Excess) Provision of Income Tax		9,705	(317,432)
MAT Credit Entitlement		(3,021,420)	(1,875,303)
Profit After Tax		11,339,782	40,059,345
Balance brought forward from last year		48,432,311	8,372,966
Balance carried to Balance Sheet		59,772,093	48,432,311

Accounting Policies and Notes on Accounts

P

(As per our separate report of even date)

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

R.N.Dhingra

Partner

Membership No.15385

July 31, 2010

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

Kamini Gupta-Company Secretary

REGENCY HOSPITAL LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE-A		
SHARE CAPITAL		
AUTHORISED CAPITAL		
11400000 Equity Shares of Rs.10/-each		
10000000 Equity Shares of Rs.10/-each	114,000,000	100,000,000
ISSUED ,SUBSCRIBED & PAID UP		
(9358668 Equity Shares of Rs.10/-each)	93,586,680	85,196,350
(8519635 Equity Shares of Rs.10/-each)		
TOTAL	93,586,680	85,196,350
SCHEDULE -B		
RESERVES AND SURPLUS		
General Reserve	64,159,610	63,160,547
Capital Reserve	4,580,491	0
Share Premium	9,971,000	0
Balance as per annexed Profit & Loss Account	59,772,093	48,432,311
TOTAL	138,483,194	111,592,858
SCHEDULE -C		
SECURED LOANS		
Term Loans from Banks *	105,024,141	93,215,814
Cash Credit limit from Bank	37,676,321	28,960,091
TOTAL	142,700,462	122,175,905
*Includes term loan payable within 12 Months Rs. 355.66 Lacs)		
SCHEDULE -D		
UNSECURED LOANS	71,558,515	21,893,465
TOTAL	71,558,515	21,893,465

REGENCY HOSPITAL LIMITED
Schedule E
Fixed Assets



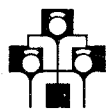
Regency Hospital Ltd.

		GROSS BLOCK						DEPRECIATION					WRITTEN DOWN VALUE	
Particulars	Rate	As on 01.04.09	Additions	Transfer on Account of merger	Additions due to Revaluation	Deductions/ Sale	As on 31.03.10	As on 01.04.09	Transfer on Account of merger	During the Period	Adjustment	Total As on 31.03.2010	As on 31.03.10	As on 31.03.2009
Lease hold Land	---	31725039	0	6153121	0	0	37878160	99583	0	5827	0	105410	37772750	31625456
Building	3.34	80027339	22211802	15502985	0	0	117742126	25138418	348124	2506254	0	27992796	89749330	54888921
Plant&Machinery	7.07	363489573	30589885	29878994	0	0	423958452	223856755	2230716	25297036	0	251384507	172573945	139632818
Furnitures&Fixtures	6.33	5550886	3623498	885756	0	0	10060141	3606502	0	545483	0	4151985	5908156	1944384
Office Equipments	4.75	1505480	211871	0	0	0	1717351	568585	0	76662	0	645247	1072104	936895
Electrical Equipments	4.75	8123067	4928993	897076	0	0	13949135	1880681	59518	492026	0	2432225	11516910	6242386
Computer	16.21	3884242	595999	107506	0	0	4587747	3461997	18879	681820	0	4162696	425051	422245
Vehicles	9.50	1777698	4482066	0	0	471831	5787933	1371647	60740	579208	183031	1828564	3959369	406051
Total		496083324	66644114	53425438	0	471831	615681045	259984168	2717977	30184316	183031	292703430	322977615	236099156
Previous Period		467739858	28343466	0	0	0	496083324	241569835	0	18414333	0	259984168	236099156	

66

REGENCY HOSPITAL LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE-F		
INVENTORIES		
(As valued and Certified by the Management)		
Hospital Items	14,538,539	11,995,606
Consumable Stores	806,359	40,212
Pharmacy	3,477,589	3,117,753
TOTAL	18,822,487	15,153,571
SCHEDULE -G		
SUNDRY DEBTORS		
(Unsecured Considered Good)		
Outstanding for Less than six months	63,756,132	44,261,049
Other Debts	155,255	0
TOTAL	63,911,387	44,261,049
SCHEDULE-H		
CASH AND BANK BALANCES		
Cash on Hand	799,379	370,550
Balances with Bank	5,705,171	2,506,605
TOTAL	6,504,550	2,877,155
SCHEDULE-I		
LOANS AND ADVANCES		
(UNSECURED CONSIDERED GOOD)		
Advance Recoverable in cash or in kind or value to be received	10,764,365	4,983,770
Staff Advances	1,534,042	1,095,247
Security Deposits	6,652,628	5,233,282
Prepaid Expenses	1,374,389	1,549,077
Income tax Refund Due	9,117,626	5,493,841
TOTAL	29,443,050	18,355,217
SCHEDULE-J		
CURRENT LIABILITIES & PROVISIONS		
LIABILITIES		
Sundry Creditors	5,473,775	7,739,071
Other Liabilities	10,842,798	5,004,909
Provision for Taxation	3,021,420	1,105,000
TOTAL	19,337,993	13,848,980



REGENCY HOSPITAL LIMITED
SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	April, 2009 to March, 2010	July, 2008 to March, 2009
SCHEDULE -K		
Hospital Income		
Hospital Income (From Services & Diagnostic)	304,997,506	193,659,957
Pharmacy and Surgical Sale	92,208,644	49,420,732
TOTAL	397,206,150	243,080,689
SCHEDULE -L		
OPERATING EXPENSES		
Surgical & Other Consumables	51,090,866	29,515,694
Pharmacy	39,445,228	22,164,495
Operating & Professional Exps.	120,086,136	72,211,968
TOTAL	210,622,230	123,892,157
SCHEDULE -M		
POWER AND FUEL		
Electricity Exps.	11,806,856	6,462,394
Disel Consumed	1,183,778	1,210,482
TOTAL	12,990,634	7,672,876
SCHEDULE -N		
ADMINISTRATIVE EXPENSES		
Advertisement	1,237,235	622,626
Auditors Remuneration	110,300	82,725
General Expenses	935,940	200,327
Preliminary Expense Written off	4,920	0
Insurance	992,297	606,198
Lease Rent	676,416	476,562
Managerial Remuneration	3,000,000	2,025,000
Director Sitting Fees	71,500	53,500
Listing Fees	142,045	73,419
Professional & Legal fees	1,075,950	783,912
Printing & Stationery	2,429,216	2,002,542
Telephone Expenses	1,244,995	897,785
Repair & Maintenance	22,972,965	10,626,897
Rates & Taxes	2,427,939	3,258,881
Subscription & Periodical	226,019	111,884
Loss on sale of car	138,800	0
Travelling & Conveyance	2,021,845	1,313,538
VAT Paid	4,330,703	0
Vehicle Running & Maintenance	689,821	489,258
TOTAL	44,728,906	23,625,054

**REGENCY HOSPITAL LIMITED
SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	April 2009 to March 2010	July 2008 to March 2009
SCHEDULE -O		
INTEREST AND LEASE CHARGES		
Fixed Loans	21,040,588	13,555,391
Lease Charges	5,910,798	6,134,512
Bank & Others	219,175	7,467,426
TOTAL	27,170,561	27,157,329



SCHEDULE-P SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS ATTACHED AND FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE.

f. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation of Financial Statements :

The Financial statements/ accounts are prepared under historical cost convention under accrual method of accounting and as going concern, in accordance with generally accepted accounting principles (GAAP) prevalent in India and mandatory Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company unless stated otherwise.

B. Inventories :

- a. The inventories of medicines and surgical 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 present location, applying the FIFO Method.
- b. Stocks of Provisions, stores, 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. Cost of these inventories comprises of all cost of purchase and other costs incurred in bringing the inventories to present location, applying the FIFO Method.

C. 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 .

D. Depreciation :

- a. 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 acquisition of assets till the date of transfer/ sale of assets.
- b. Leasehold Land is being amortised over the period of lease.

E. Revenue Recognition :

- a. Income from Healthcare services is recognized on completed service contract method. Revenue also includes the value of services rendered pending billing in respect of inpatients undergoing treatment as on 31st March, 2010.
- b. Pharmacy Sales are stated net of returns, discounts and inclusive of Sales tax.

F. Fixed Assets :

All fixed assets are stated at their original cost of acquisition less depreciation and impairment losses are recognized where necessary. However, fixed assets, which are revalued by the Company, are stated at their revalued book values.

G. Borrowing Costs :

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized 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.

H. 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.

I. Accounting for Taxes in Income :

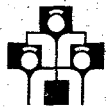
- a. Income Tax: Provision for Income tax Minimum Alternative Tax (MAT) as per Income tax Act, 1961.
- b. Deferred Tax: The Difference that result between the profit calculated for income tax purposes and profit as per financial statements are identified and thereafter deferred tax asset or deferred tax liability is recorded for timing differences namely the differences that originate in one accounting period and get reversed in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing difference at the beginning of this accounting year based on the prevailing enacted or substantially enacted regulations.

J. 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 period. 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 dilative potential equity shares.

K. Amortization and write off :

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



2. NOTES FORMING PART OF THE ACCOUNTS

- A.** The figures for the current year include figures of Abhirev Healthcare Private Limited (AHPL) which is amalgamated with the Company with effect from 1st April, 2009 and are therefore to that extent not comparable with those of previous year.
- B.** Abhirev Health Private Limited (AHPL), (the amalgamating Company) engaged in providing medical facilities, has been amalgamated with the Company. The Scheme of Amalgamation (the Scheme) was sanctioned by the Hon'ble High Court of Judicature at Allahabad vide its order dated 22nd March, 2010. The Scheme became effective on March 30, 2010, the appointed date of the Scheme being 1st April, 2009. In accordance with the said Scheme and as per the approval of the Hon'ble High Courts :
- a) The assets, liabilities, rights and obligations of erstwhile AHPL have been transferred to and vested with the Company with effect from 1st April, 2009 and have been recorded at their respective fair values, under the purchase method of accounting for amalgamation.
 - b) 8,39,033 Equity Shares of Rs. 10/- each fully paid up are to be issued to the Equity Shareholders of the Amalgamating Company whose names are registered in the register of members, without payment received in cash. The Company has allotted the shares on 31st March, 2010.
 - c) Excess of the Book value of net assets taken over by the Company over the paid up value of Equity Shares to be issued and allotted (as referred to under (b) above of Rs. 45,80,491/- has been credited to Capital Reserve of the Company and Credit Balance of Profit & Loss Account of the Amalgamating Company has been credited to General Reserve of Company and shown under the head the Reserves & Surplus.
 - d) From the effective date the Authorized Share Capital will stand increased to Rs. 11.40 Lacs consisting of 1,14,00,000 Equity Shares of Rs. 10 /- each.
- C. Details of Secured Loans and Security :**
- a. Term Loans and Working Capital limit from Bank of Baroda is secured by equitable mortgag 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. Vehicles Loans from Kotak Mahindra Bank Limited is secured by hypothecation of specific vehicles.
- D. Contingent Liabilities :-**
- a. Disputed demand of Customs Department (under appeal) Rs. 38.45 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.

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

E. Sundry Debtors, Loans and Advances :-

- a. Sundry Debtors represent the debt outstanding on treatment of employees of corporate clients with whom Company is empanelled.
- b. In the opinion of the management, 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.
- c. The Company has not received any information from its suppliers regarding registration under "Micro, Small and Medium Enterprises Development Act, 2006. Hence information required to be given in accordance with Section 22 of said Act, is not ascertainable. Hence not disclosed.

- (F) 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.

- (G) 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:

Particulars	12 Months Period Ended on 31.03.10	9 Months Period Ended on 31.03.2009
Net Profit/(Loss) for the period (Rs. In Lacs)	113.40	400.59
Weighted average number of Equity Shares	93,58,668	85,19,635
Basic earning per share (in Rs.) Annualised	1.21	6.27
Diluted earning per share (in Rs.) Annualised	1.21	6.27

- (H) 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 calculation of Deferred tax asset /(liability) (net) arising on account of unabsorbed depreciation under tax laws, difference in depreciation as on date and allow liability of expenses as per Companies Act, 1956 and Income tax Law, are as under :-

Particulars	Deferred Tax Assets as at 01.04.2010	Current Period Charge/(Credit)	Deferred Tax Assets as at 31.03.2010
Deferred Tax Assets/(Liability)	3,04,21,815.00	(64,28,820.00)	2,39,92,995.00
Total	3,04,21,815.00	(64,28,820.00)	2,39,92,995.00



(I) Related Party Disclosure (As identified by Management)

Name of Person	Relation with Company	Description of transactions during the year	2009-10	2008-09
Mr. A.R.Kapoor	Relative of Managing Director	Remuneration Land Rent	1,50,000.00 6,76,416.00	1,35,000.00 4,76,562.00
Dr.Atul Kapoor	Managing Director	Remuneration	18,60,000.00	12,60,000.00
Dr.Rashmi Kapoor	Whole Time Director	Remuneration	11,40,000.00	7,65,000.00

(J) During the period MAT Liability have been provided which is eligible was set off in subsequent year. The same has been treated as recoverable and shown as MAT Credit entitlement.

(K) Other Information required to be disclosed:

Director's Remuneration	2009-10	2008-09
Managing Director	18,60,000.00	12,60,000.00
Whole Time Director	11,40,000.00	7,65,000.00

(L) Auditors' Remuneration:

Particulars	2009-10	2008-09
a) Audit Fees	75,000.00	60,000.00
b) Tax Audit Fees	15,000.00	15,000.00
c) Other Professional Matters	10,000.00	0.00

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

Sl.No	Particulars	Opening Stock (Rs.)	Purchases during the year (Rs.)	Consumed (Rs.)	Closing Stock (Rs.)
1	Pharmacy	31,17,753.00	3,98,05,064.00	3,94,45,228.00	34,77,589.00
2	Hospital Items	1,19,95,606.00	5,36,33,799.00	5,10,90,866.00	1,45,38,539.00
3	Consumable Stores	40,212.00	46,74,421.00	39,08,274.00	8,06,359.00

(N)

Particulars	2009-10	2008-09
CIF Value of Imports	0.00	0.00
Earning in Foreign Currency	0.00	0.00
Expenditure in Foreign Currency	0.00	0.00

(O) The Previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

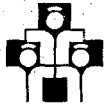
Signatures to Schedules A to P forming part of Accounts for the period ended 31st March, 2010.

FOR JAIN DHINGRA & ASSOCIATES
Chartered Accountants

For and on behalf of the Board

R. N. Dhingra
Partner
Membership No.15385
July 31, 2010
Kanpur

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



Regency Hospital Ltd.

PART - V

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration

0	8	7	9	2
---	---	---	---	---

State Code

2	0
---	---

Balance Sheet Date

3	1
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0	3
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2	0	1	0
---	---	---	---

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

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

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

Total Liabilities

0	0	4	6	5	6	6	7
---	---	---	---	---	---	---	---

Total Assets

0	0	4	6	5	6	6	7
---	---	---	---	---	---	---	---

Sources of Funds

Paid-up Capital (inc. Share Application Money)

0	0	0	9	3	5	8	7
---	---	---	---	---	---	---	---

Secured Loans

0	0	1	4	2	7	0	0
---	---	---	---	---	---	---	---

Reserve & Surplus

0	0	1	3	8	4	8	3
---	---	---	---	---	---	---	---

Unsecured Loans

0	0	0	7	1	5	5	9
---	---	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

0	0	3	2	2	9	7	8
---	---	---	---	---	---	---	---

Net Current Assets

0	0	0	9	9	3	4	3
---	---	---	---	---	---	---	---

Investments

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

Misc. Expenditure

0	0	0	0	0	0	1	5
---	---	---	---	---	---	---	---

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

Turnover

0	0	4	0	0	4	7	6
---	---	---	---	---	---	---	---

Profit / (Loss) Before Tax

0	0	0	1	7	7	7	8
---	---	---	---	---	---	---	---

Earning Per Share (Annualised)

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

Total Expenditure

0	0	3	8	2	6	9	8
---	---	---	---	---	---	---	---

Profit/ (Loss) After Tax

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

Dividend Rate

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

V. Generic Name of Three Principal Products / Service 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
---	---	---	---	---	---	---	---	--	---	---	---	--	---	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---

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

July 31, 2010

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

Kamini Gupta -Company Secretary

REGENCY HOSPITAL LIMITED

CASH FLOW FOR THE 12 MONTHS PERIOD ENDED 31ST MARCH, 2010

Particulars		April-09 to March-10		July-08 to March-09
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before tax		177.78		83.08
Depreciation		301.84		184.14
Interest & Financial Charges		271.71		271.57
Prior Period Items		(0.10)		3.17
MAT Credit		30.21		18.75
Operating Profit before Working Capital Changes		781.44		560.71
Adjustment for Trade & Other Receivable		(307.36)		(7.42)
Inventories		(36.69)		8.21
Trade Payables		54.89		(0.70)
Cash Generated from Operations		492.28		560.80
Interest Paid		271.71		271.57
Taxation		30.21		8.63
Preliminary Expenditure not written off		0.15		0.00
Net Cash Flow Operating Activities		190.21		280.60
B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	1093.40		338.56	
Proceeds from Sale of Assets	(1.83)	1095.23	0.00	338.56
Net Cash used in Investing Activities		1095.23 (905.02)		338.56 (57.96)
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Share Capital		83.90		0.00
Proceeds from Borrowings		614.73		(8.70)
Proceeds from Working Capital		87.16		68.15
Transfer on account of Merger		155.51		0.00
Net Cash from Financing Activities		941.30		59.45
Net Increase /(decrease) in Cash & Cash Equivalent		36.28		1.49
Cash & Cash Equivalent as at 01.04.2009		28.77		27.28
Less :Cash or Cash equivalent as at 31.03.2010		65.05		28.77
Net Increase /(decrease) in Cash & Cash Equivalent		36.28		1.49

Notes : 1. Figures in (-) Represent Outflows

2. The Above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard -3 on Cash Flow Statements issued by Institute of Chartered Accountants of India (ICAI).

3. Previous year figures have been regrouped and rearranged wherever necessary.

(As per our separate report of even date)

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

For and on behalf of the Board**R.N.Dhingra**

Partner

Membership No.15385

July 31, 2010

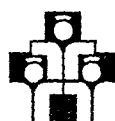
Kanpur

Dr.Atul Kapoor-Managing Director

Dr.Rashmi Kapoor-Whole time Director

Santosh K.Gupta-Chief Financial Officer

Kamini Gupta-Company Secretary



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 21st ANNUAL GENERAL MEETING of the Company at A-2, Sarvodaya Nagar, Kanpur at 10.00 A.M. on Saturday, 18th September, 2010.

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
ofbeing a member/members of the above named
Company hereby appoint
ofor failing
him/her of
as my / our proxy to vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the
Company to be held on Saturday, 18th September, 2010.

As witness my/our hand(s) thisday of2010

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.

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