



REGENCY HOSPITAL LTD.



*26th Annual Report
2014-15*





For you to continue embarking
on new beginnings

BOARD OF DIRECTORS

| | |
|---------------------------------|-----------------------|
| Mr. RATAN LAL SRIVASTAVA | - CHAIRMAN |
| Dr. ATUL KAPOOR | - MANAGING DIRECTOR |
| Dr. RASHMI KAPOOR | - WHOLE-TIME DIRECTOR |
| Mr. ANIL KUMAR KHEMKA | - DIRECTOR |
| Mr. RAJIV KUMAR BAKSHI | - DIRECTOR |
| Mr. SUBHASH CHAND AHUJA | - DIRECTOR |
| Dr. RAMAKANTA MADAN MOHAN PANDA | - DIRECTOR |

COMPANY SECRETARY

Mr. ANKIT MISHRA

CHIEF FINANCIAL OFFICER

Mr. DEEPAK KUMAR GUPTA

AUDITORS

M/s JAIN DHINGRA & ASSOCIATES
CHARTERED ACCOUNTANTS
KANPUR

BANKERS

BANK OF BARODA
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA (SIDBI)
YES BANK LTD.

REGISTERED OFFICE

A-2, SARVODAYA NAGAR,
KANPUR- 208005

REGISTRAR AND SHARE TRANSFER AGENT

SKYLINE FINANCIAL SERVICES (P) LIMITED
D-153/A, 1ST FLOOR, OKHALA INDUSTRIAL AREA, PHASE-1,
NEW DELHI- 110020

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REGENCY HOSPITAL LIMITED

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

CIN: L85110UP1987PLC008792

e-mail: investor@regencyhealthcare.in; website: www. regencyhealthcare.in

Ph: 3081111 Fax: (91) (512) 2213407

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of REGENCY HOSPITAL LIMITED will be held on Wednesday, 30th September, 2015 at 01:00 P.M. at the Registered Office of the Company at A-2, Sarvodaya Nagar, Kanpur-208005 to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt:
 - a) the audited financial statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - b) the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2015.
2. To appoint a Director in place of Mr. Ratan Lal Srivastava (DIN: 00150105), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditor and fix their remuneration and in this regard, 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 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Walker Chandiok & Co LLP, Chartered Accountants (ICAI Firm Registration No.: 001329N), be and are hereby appointed as the Statutory Auditors for a term of five years i.e. from the conclusion of this Annual General Meeting till the conclusion of thirty-first Annual General Meeting of the Company (subject to ratification of their appointment by the Members at every Annual General Meeting), on such terms and remuneration as agreed upon between the Audit Committee / Board of Directors and the Auditors

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Subhash Chand Ahuja (DIN: 06968530), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the

Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 1 (One) year for a term up to the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2016 not liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Ramakanta Madanmohan Panda (DIN: 01161791), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 1 (One) year for a term up to the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2016 not liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **SPECIAL RESOLUTION**:

"RESOLVED FURTHER THAT in supersession of the resolution passed by the shareholders at the 25th Annual General Meeting of the Company held on September 30, 2014, consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under (including any statutory modifications or re-enactment(s) thereof for the time being in force) to the Board of Directors of the Company to sell, lease, create charge / provide security for the sums borrowed on such terms and conditions and in such form and manner and with such ranking as to priority, as the Board in its absolute discretion thinks fit, on the assets of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company, together with interest, costs, charges, expenses and all other monies payable by the Company to

the Lenders / institutions concerned for an amount not exceeding Rs. 150 Crores (Rupees One hundred and Fifty Crores only) under the respective borrowing arrangements entered into / to be entered by the Company."

"RESOLVED FURTHER THAT the security/(ies) to be created by the Company for its borrowings as aforesaid may rank with the security already created in the form of mortgage and / or charges already created or to be created in future by the Company as may be agreed to between the Company and concerned parties."

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **SPECIAL RESOLUTION:**

"RESOLVED THAT in supersession of the resolution passed by the shareholders at the 25th Annual General Meeting of the Company held on September 30, 2014, the consent of the Company be and is hereby accorded to the Board of Directors under Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 read with rules made there under, to borrow monies for and on behalf of the Company from time to time as deemed by it to be requisite and proper for the business of the Company, so that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding shall not exceed Rs. 150 Crores (Rupees One hundred and Fifty Crores only) in excess of the paid up capital and free reserves of the Company i.e. reserves not set apart for any specific purpose, as per the latest annual audited financial statements".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating security as aforesaid or otherwise considered to be in the best interest of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating security as aforesaid or otherwise considered to be in the best interest of the Company."

Registered Office:
A-2, Sarvodaya Nagar,
Kanpur-208005
New Delhi, May 30, 2015

By Order of the Board
For Regency Hospital Limited
(Ankit Mishra)
Company Secretary

Notes :

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
7. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 23rd September, 2015 to Wednesday, 30th September, 2015 (both days inclusive).
8. 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 in their address or bank mandates immediately to the Company / RTA.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Skyline.
10. Members who have not registered their e-mail addresses

so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

11. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015, the Company is pleased to provide the facility to members to exercise their right to vote by electronic means. The Company has fixed September 23, 2015, as a cut-off date to record the entitlement of the shareholders to cast their vote electronically at the 26th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and rules thereunder. Consequently the same cut-off date i.e. September 23, 2015, would record entitlement of the shareholders, who do not cast their vote electronic, to cast their vote at the 26th AGM on September 30, 2015, through ballot paper/ polling paper.
12. The e-voting period will commence at 9:00 a.m. on Sunday, September 27, 2015, and will end at 5:00 p.m. on Tuesday, September 29, 2015. The Company has appointed Mr. Surendra Kumar Sahu, FCS of SKS & Company, Company Secretaries, Kanpur, to act as the Scrutinizer, for conducting the scrutiny of the votes cast through remote e-voting and at the AGM in a fair and transparent manner.

PROCEDURE FOR E-VOTING

1. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:
 - (a) In case of Members receiving an e-mail from NSDL:
 - (i) Open the PDF file 'RHL e-voting.pdf' attached to the e-mail, using your client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password.'
 - (ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login.
 - (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
 - (v) Password change menu will appear. Change the Password with a new password of your choice. Please keep a note of the new password. It is strongly recommended not to share your password with any person and take utmost care to keep it confidential.
 - (vi) Home page of e-voting will open. Click on e-voting - Active Voting Cycles.
 - (vii) Select 'EVEN' of Regency Hospital Limited.
 - (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
 - (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
 - (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter along with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by an e-mail at sksc2001@gmail.com with a copy marked to evoting@nsdl.co.in.
- (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance slip
 - (i) Initial Password is provided separately with annual Report
 - (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
2. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and e-voting user manual available in the downloads section of NSDL's e-voting website www.evoting.nsdl.com.
3. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
4. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
5. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are shareholder.
6. The voting rights shall be as per the number of equity share held by the member(s) as on Wednesday, September 23, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.
7. The Companies (Management and Administration) Rules, 2014 as amended thereof, provides that the electronic voting shall remain open for not less than 3 days and shall close at 5:00 P.M. on the date preceding the date of meeting. Accordingly, the voting period shall commence at 9:00 A.M. on Sunday, September 27, 2015 and will end at 5:00 P.M. on Tuesday, September 29, 2015. The results shall be declared on or after the AGM. The results along with the Scrutinizer's report shall also be placed on the website of the company at www.regencyhealthcare.in
13. The members who have cast their vote by remote e-voting prior the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. In terms of Clause 49 of the Listing Agreement information on Director seeking appointment at this Annual General Meeting is as under:

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.**

| | | |
|---|------------------------|----------------------------|
| Name of Director | Subhash Chand Ahuja | Ramakanta Madanmohan Panda |
| Date of Birth and Age | 05/11/1953 61 years | 03/04/1954 61 years |
| Appointed on | 12/11/2014 | 13/02/2015 |
| Qualifications | B.Com., CAIIB | MBBS, M.ch. |
| Expertise in specific functional areas | Banking and Finance | Cardiac Surgery |
| Directorship held in other Public Companies (excluding Foreign Companies) | NIL | 2 |
| Memberships / Chairmanships of committees across public Companies. | 1 | - |

| | |
|---|----------------------------|
| Name of Director | Ratan Lal Srivastava |
| Date of Birth and Age | 16/07/1939 76 years |
| Appointed on | 28/10/2000 |
| Qualifications | M.S., DDIN |
| Expertise in specific functional areas | Finance and Administration |
| Directorship held in other Public Companies (excluding Foreign Companies) | 1 |
| Memberships / Chairmanships of committees across public Companies. | 1 |

Item No. 4 & 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Subhash Chand Ahuja and Shri Ramakanta Madanmohan Panda as Additional Director(s) of the Company with effect from November 12, 2014 and 13.02.2015 respectively. In terms of the provisions of Section 161(1) of the Act, the Additional Director would hold office up to the date of the ensuing Annual General Meeting.

The Company has received notice(s) in writing from member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Subhash Chand Ahuja & Shri Ramakanta Madanmohan Panda for the office of Director of the Company. Shri Subhash Chand Ahuja & Shri Ramakanta Madanmohan Panda are not disqualified from being appointed as Director(s) in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence which should a company propose to appoint independent directors on its Board. As per the said Section 149, an independent director shall not be included in the total number of directors for retirement by rotation.

The Company has received declaration from Shri Subhash Chand Ahuja & Shri Ramakanta Madanmohan Panda that they meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Shri Subhash Chand Ahuja possesses appropriate skills, experience and knowledge, inter alia, in the field of finance and banking & Shri Ramakanta Madanmohan Panda possesses appropriate skills, experience and knowledge, inter alia, in the field of Cardiac Surgery. Keeping in view their vast expertise and knowledge, it will be in the interest of the Company that Shri Subhash Chand Ahuja & Shri Ramakanta Madanmohan Panda are appointed as Independent Directors. Copy of the draft letter for appointment of Shri Subhash Chand Ahuja & Shri Ramakanta Madanmohan Panda as Independent Director(s) setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. Save and except Shri Subhash Chand Ahuja & Shri Ramakanta Madanmohan Panda and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 & 5 of the Notice for approval by the shareholders

Item No. 6

The members of the Company at their 25th Annual General Meeting held on 30th September, 2014 accorded by way of an Special Resolution under Section 180(1)(a) of the Companies Act, 2013, consent to the Board of Directors to sell, lease, create mortgage, hypothecation and / or charge on its movable or immovable properties for an amount not exceeding Rs. 125 Crores (Rupees One Hundred Twenty Five Crores only).

The Company has embarked upon a major expansion program envisaging setting up of newer facilities besides expansion of existing capacity. With a view to empower the Board of Directors of the Company to raise additional resources to match the business plans and for the purpose of providing security by creation of charge and / mortgage on the movable / immovable assets / properties and undertaking(s) of the Company, it is proposed to have enabling approval from the members for the creation of security on the Assets of the Company upto an amount not exceeding Rs. 150.00 Crores (Rupees One Hundred Fifty Crores only) in terms of the provisions of Section 180(1)(a) of the Companies Act, 2013. The Board recommends the proposed resolution for acceptance by the Members.

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

Item No. 7

The members of the Company at their 25th Annual General Meeting held on 30th September, 2014, approved by way of an Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 125 Crores (Rupees One Hundred Twenty Five crores).

Keeping in view the existing and future plans of the Company, it has been considered desirable to obtain the members approval for a revised amount not exceeding Rs. 150 Crores (Rupees One Hundred Fifty Crores only) at any point of time. The Directors recommend the proposed resolution for acceptance by the Members.

Registered Office:

A-2, Sarvodaya Nagar,
Kanpur-208005

By Order of the Board

For Regency Hospital Limited

(Ankit Mishra)
Company Secretary

New Delhi, May 30, 2015

DIRECTORS' REPORT

To,

The Members of

REGENCY HOSPITAL LIMITED

Your Directors have pleasure in presenting herewith the Twenty Sixth Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS (STANDALONE)

| PARTICULARS | (Rs. in Lacs) | |
|--|-------------------------------------|-------------------------------------|
| | For the Year ended 31st March, 2015 | For the Year ended 31st March, 2014 |
| Total Income | 10451 | 9353 |
| Profit/(Loss) before Interest, Depreciation, exceptional , extra ordinary items and Taxation | 1969 | 1846 |
| Less : Depreciation | 469 | 526 |
| Less: Finance Charges | 873 | 730 |
| Profit before exceptional and extra ordinary items and tax | 627 | 591 |
| Add : Exceptional Items | (11) | 132 |
| Profit Before Taxation | 617 | 723 |
| Less/ Add: Provision for Taxation | | |
| Less: Provision for Tax: | 152 | 203 |
| Less: Deferred Tax (Assets)/ Liability | 98 | 60 |
| Profit After Tax | 361 | 460 |
| Add: Balance brought forward from previous year | 1373 | 913 |
| Less: Transfer to general reserve | - | -- |
| Balance Carried forward to Balance Sheet | 1739 | 1373 |

COMPANY PERFORMANCE (Standalone)

The total income for the financial year under review is Rs 10,450.84 Lacs as compared to 9353.16 Lacs in the previous financial year registering a growth of 11.74%. The Profit before tax excluding exceptional items was Rs 627.45 and Profit after tax of Rs 365.85 for the financial year under review as against Rs. 590.81 Lacs and Rs. 459.72 Lacs respectively for the previous financial year. During the year company has treated 38396 indoor patients (including dialysis) as compare to 32316 indoor patients in 2013-14. A detailed analysis of performance for the year has been included in the Management Discussion and Analysis, which forms part of the Annual Report.

GROWTH STRATEGY:

During the year under review, your Company has achieved all time high income from operations Rs.10308.73 as compared to Rs. 9057.06 Lacs in the previous year. Company is at growing stage of its operations and breaking day by day hurdles to achieve new milestones. Coupled with the multiple pool of qualified and experienced doctors and dynamic professionals, your Company is planning to expand its existence in more locations. Regency Hospital Ltd. has commenced a world class

and highly equipped OPD/Diagnostic clinic/ Dialysis center in a prime location at Parade, Kanpur. On one more stand, Company has also entered into an agreement for lease of building for long term period, to start 110 bedded another multi specialty hospital at south Kanpur which is expected to be operational by October, 2015.

Further, construction of building for Cancer Hospital in Joint venture with Healthcare Global Enterprises Ltd. is already in full swing and which is expected to be operational by December, 2015. All the above facts are ample enough to reflect the bright future of your Company except some unforeseen and natural hurdles.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-A.

BOARD MEETINGS

During the year Seven Board Meetings and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed along with 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 for the same period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

RELATED PARTY TRANSACTIONS :

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-B.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules thereunder and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website of the Company at <http://regencyhospital.in/pdf/RPT%20Policy.pdf>

TRANSFER TO RESERVE

During the year, Company had not transferred any amount to General Reserves.

DIVIDEND

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any

dividend for the year ended 31st March, 2015.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure-C to this report.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management provided elsewhere in this Annual Report in Management Discussion and Analysis.

CORPORATE SOCIAL RESPONSIBILITY (CSR) :

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company has constituted a CSR Committee. The Committee comprises of 3 Directors headed by Independent Director. CSR Committee of the Board has developed a CSR Policy brief content of which is enclosed as part of this report Annexure-D. Additionally, the CSR Policy has been uploaded on the website of the Company at http://regencyhospital.in/csr_policy.html.

BOARD EVALUATION

Pursuant to the provisions of companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

NOMINATION POLICY

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of director has been uploaded on the website of the Company at

<http://regencyhospital.in/pdf/nomination%20policy.pdf>

DIRECTORS & KEY MANAGERIAL PERSONNEL

At the 25th Annual General Meeting of the company held on 30th September, 2014 the company had appointed the existing independent directors Shri Anil Kumar Khemka (DIN 00270032) and Shri Rajiv Kumar Bakshi (DIN 00264007) as independent directors under the companies Act, 2013 for 5 (Five) & 2 (Two) consecutive years respectively.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of listing agreement.

At a board meeting(s) held on 12.11.2014 and 13.02.2015, the board had appointed Shri Subhash Chand Ahuja (DIN 06968530) and Shri Ramakanta Madanmohan Panda (DIN 01161791) respectively as Additional Directors in the category

of Independent Director. In accordance with the provisions of Companies Act, 2013 Shri Ratan Lal Srivastava (DIN 00150105), Non - Executive Director retires by rotation and being eligible offers himself for re-appointment.

SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

During the year under review, as a measure of achieving greater financial flexibility and facilitating the future growth of the Company, following are the joint venture companies / Subsidiary Companies with their main object:

1. HCG Regency Oncology Healthcare Private Limited a subsidiary Company of RHL became associate company with effect from 30.03.2015 due to additional capital investment made by Healthcare Global Enterprises Ltd.. This Associate Company has its main object as rendering treatment to persons suffering from cancer, to carry on research therein and to train various persons in scientific methods of cancer treatment and to generally act as a provider of various services in the treatment for and research in the field of oncology.

Financial Position: (Amt. Rs.)

| Particulars | 31st March, 2015 | 31st March, 2014 |
|------------------|------------------|------------------|
| Turnover | 669760 | 1813054 |
| Profit after Tax | (48557) | 91305 |

2. Regency Nephrocare Private Ltd is a joint venture of Fresenius Medical Care India Pvt. Ltd. with your Company and incorporated on 19th July, 2013 with its main object as to own, establish, hold, acquire, run, manage and maintain, in any manner whatsoever, hospitals, diagnostic centers, immunization centers, clinics, health centers, polyclinics, laboratories, medical and other research centres, including providing medicines, drugs and healthcare products, for diagnosis, prevention, cure and treatment of all renal or nephrological diseases.

Financial Position: (Amt. Rs.)

| Particulars | 31st March, 2015 | 31st March, 2014 |
|------------------|------------------|------------------|
| Turnover | 32917046 | 12625346 |
| Profit after Tax | (2447742) | (10094325) |

3. Regency Lifecare Private Limited incorporated on 17th January, 2014 being 100% wholly owned subsidiary of the company with its main object as to carry on business as stockists, agents, importers, exporters, traders, whole sellers, distributors, concessionaires or dealers of all generic and non generic drugs and all kinds of pharmaceutical, cosmetic and medical preparations. The Company has not yet started its operation.

Financial Position: (Amt. Rs.)

| Particulars | 31st March, 2015 | 31st March, 2014 |
|------------------|------------------|------------------|
| Turnover | -- | -- |
| Profit after Tax | -- | -- |

AUDITORS' REPORT:

The Auditors' Report does not contain any qualifications. The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments of Directors.

AUDITORS:

i) Statutory Auditors :

The present tenure of existing Statutory Auditors, M/s. Jain Dhingra & Associates, Chartered Accountants, Kanpur is expiring at this Annual General Meeting. Board has received recommendation from Audit Committee for the appointment of Walker Chandio & Co LLP, Chartered Accountants, as the Statutory Auditor of the Company at the upcoming Annual General Meeting of the Company as per the provisions of Companies Act, 2013. Board has also received consent letter and eligibility certificate from Walker Chandio & Co LLP.

ii) Secretarial Auditors :

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by M/s SKS & Co., Company Secretaries, Kanpur, is enclosed as a part of this report Annexure-C.

iii) Internal Auditors:

M/S SKVA & Co., Chartered Accountants, Kanpur performs the duties of internal auditors of the company and their report is reviewed by the audit committee in their meetings held during the year.

CORPORATE GOVERNANCE

Pursuant to Clause 49 (VII) of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance forms part of the Directors' Report in the Annual Report. Your Company has been complying with the requirements of the Listing Agreement and necessary disclosures have been made in this regard in the Corporate Governance Report.

A certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditor of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

| S No. | Name | Designation | Increase in remuneration (in %) 2014-15 Director / KMP | Increase in median remuneration of employees (in %) 2014-15 | Ratio of Director Remuneration to Median employee remuneration | No. of employees on roll as on 31.03.2015 |
|-------|--------------------------------|-------------------------|--|---|--|---|
| 1 | Dr. Atul Kapoor | Managing Director | 27% | | 23 | |
| 2 | Dr. Rashmi Kapoor | Whole-Time Director | 30% | | 22 | |
| 3 | Mr. Ratan Lal Srivastava | Non-Executive Director | - | | - | |
| 4 | Mr. Anil Kumar Khemka | Non-Executive Director | - | | - | |
| 5 | Mr. Subhash Chand Ahuja | Non-Executive Director | - | | - | |
| 6 | Mr. Rajiv Kumar Bakshi | Non-Executive Director | - | 24% | - | 966 |
| 7 | Mr. Ramakanta Madanmohan Panda | Non-Executive Director | | | - | |
| 8 | Mr. Ankit Mishra | Company Secretary | 20% | | N/A | |
| 9 | Mr. Deepak Kumar Gupta | Chief Financial Officer | 25% | | N/A | |

It is hereby further affirm that the remuneration is as per the remuneration policy of the Company.

COMPARISON OF REMUNERATION OF KEY MANAGERIAL PERSONNEL AGAINST THE PERFORMANCE OF COMPANY:

- Dr. Atul Kapoor, Managing Director:** Dr. Atul Kapoor is mainly involved in the day to day business operations of the Company. Apart from this, he is also involved in the strategic planning of the expansion, tie-up with Joint Venture Companies. He is a qualified Doctor having experience of more than 3 decades. He was appointed by the shareholders of the Company by way of Special Resolution passed at the 25th Annual General Meeting of the Company for a period of 3 years on the terms and conditions as mentioned in that resolution and explanatory statement. His experience, time involvement, industry trend and Company's performance justifies his remuneration.
- Dr. Rashmi Kapoor, Whole-Time Director:** Dr. Rashmi Kapoor is a pediatric by profession and looking after the OPD & IPD patients of the Company. She is a renowned child specialist in Kanpur city having experience of more than 30 years. Apart from this, She is also involved in the decision making process of the Company. Her present remuneration was approved by the shareholders of the Company at the 25th Annual General Meeting of the Company. Her remuneration is found justified as compared to the performance of the Company.
- Mr. Deepak Kumar Gupta, Chief Financial Officer:** Mr. Deepak Kumar Gupta is a Chartered Accountant by profession having experience of more than 6 years. He is responsible for overall accounting and taxation work of the Company. As compared against the performance of the Company, his nature of work justified his present remuneration.
- Mr. Ankit Mishra, Company Secretary:** Mr. Ankit Mishra is working as Company Secretary & Compliance Officer of the Company. His nature of work include Compliance of the Provisions of Companies Act, 1956 / 2013, Listing Agreement & SEBI Regulations. As compared with the performance of the Company, his remuneration is justified.

DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during each calendar year.

No. of Complaints received: NIL

No. of Complaints disposed off: NIL

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Place : New Delhi
Date : 30.05.2015

(R.L. Srivastava)
Chairman

ANNEXURE A
Form No. MGT-9
**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:-L85110UP1987PLC008792
- ii) Registration Date: - 08.06.1987
- iii) Name of the Company: - REGENCY HOSPITAL LIMITED.
- iv) Category/Sub-Category of the Company: - Company Limited by shares
- v) Address of the Registered office and contact details: A-2, Sarvodaya Nagar, Kanpur - 208005
ankitmishra@regencyhealthcare.in
- vi) Whether listed Company YES/No: YES
- vii) Name, Address and Contact details of Registrar and Transfer

Agent, if any: SKYLINE FINANCIAL SERVICES PVT. LTD.
D-153/A, 1ST FLOOR, OKHALA INDUSTRIAL AREA, PHASE-1
NEW DELHI-110020.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sl.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % total turnover of the company |
|--------|---|----------------------------------|---------------------------------|
| 1 | Hospital Activity | 86100 | 99% |
| 2 | Nursing College | 87100 | 01% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING / SUBSIDIARY | % of shares held | Applicable Section |
|-------|---|------------------------|---------------------------------|------------------|--------------------|
| 1 | Regency Nephrocare Pvt. Ltd.. | U85191UP2013PTC 058477 | Associate Company | 49%. | 2(6) |
| 2 | Regency Lifecare Pvt. Ltd. | U85100UP2014PTC 062031 | Wholly owned Subsidiary Company | 99.99% | 2(87) |
| 3 | HCG Regency Oncology Healthcare Pvt. Ltd. | U85191UP2011PTC 045234 | Associate Company | 49.91% | 2(6) |

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--|---|----------|---------|-------------------|---|----------|---------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| g) Individual/HUF | 6655460 | - | 6655460 | 71.12% | 6655460 | - | 6655460 | 71.12% | - |
| h) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| i) State govt (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| j) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| k) Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| l) Any other.... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| Sub-total | | | | | | | | | |
| (A) (1) :- | 6655460 | 6655460 | 6655460 | 71.12% | 6655460 | 6655460 | 6655460 | 71.12% | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| b) Other-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| l) Any other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| Total Share holding of Promoter | | | | | | | | | |
| (A)=(A) (1)+(A)(2) | 6655460 | 0 | 71.12% | 0 | 6655460 | 0 | 71.12% | 0 | - |
| (B) Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 10 | 510 | 520 | 0.01% | 10 | 510 | 520 | 0.01% | - |
| b) Banks/FI | 0 | 52800 | 52800 | 0.56% | 0 | 52800 | 52800 | 0.56% | - |
| c) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| g) FIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| i) Other (Specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| Sub-total | | | | | | | | | |
| (B) (1):- | 10 | 53310 | 53320 | 0.57% | 10 | 53310 | 53320 | 0.57% | - |

| | | | | | | | | | |
|--|----------------|---------------|----------------|----------------|----------------|---------------|----------------|----------------|----------|
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 9013 | 14910 | 23923 | 0.26% | 42201 | 14900 | 57101 | 0.61% | 0.35% |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital in upto of Rs 1 Lack | 47423 | 238468 | 285891 | 3.05% | 67938 | 235728 | 303666 | 3.24% | 0.19% |
| ii) Individual Shareholders holding nominal share capital in excess of Rs 1 Lack | 2029243 | - | 2029243 | 21.68% | 2002578 | - | 2002578 | 21.40% | 0.64% |
| c) Other | | | | | | | | | |
| i) N.R.I. Repat & Non-Repatriate | 130 | - | 130 | 0.00% | 330 | - | 330 | 0.00% | - |
| ii) Hindu Undivided Family | 310148 | 410 | 310558 | 3.32% | 285148 | 310 | 285458 | 3.05% | 3.27% |
| iii) Clearing Member/House | 143 | - | 143 | 0.00% | 755 | - | 755 | 0.01% | 0.01% |
| Sub-total (B) (2):- | 2396100 | 307108 | 2649888 | 28.31% | 2398950 | 236038 | 2649888 | 28.31% | - |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| Grand Total (A+B+C) | 9051570 | 307098 | 9358668 | 100.00% | 9054420 | 304248 | 9358668 | 100.00% | - |

ii. Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|--------|-------------------------|---|---------------------------------|---|-------------------------------------|---------------------------------|--|--|
| | | No. of Shares | %of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | %of total Shares of the company | %of Shares Pledged/ encumbered to total shares | |
| 1 | Atul Kapoor HUF. | 1182523 | 12.64 | - | 1182523 | 12.64 | - | - |
| 2 | Dr. Atul Kapoor | 1598863 | 17.08 | - | 1598863 | 17.08 | - | - |
| 3 | Arun Kapoor HUF | 52272 | 0.56 | - | 52272 | 0.56 | - | - |
| 4 | Arun Kapoor | 5000 | 0.05 | - | 5000 | 0.05 | - | - |
| 5 | Soni Kapoor | 649210 | 6.94 | - | 649210 | 6.94 | - | - |
| 6 | Asha Kapoor | 656666 | 7.02 | - | 656666 | 7.02 | - | - |
| 7 | Anant Ram Kapoor | 217533 | 2.32 | - | 217533 | 2.32 | - | - |
| 8 | Dr. Rashmi Kapoor | 2057953 | 21.99 | - | 2057953 | 21.99 | - | - |
| 9 | Abhishek Kapoor | 168240 | 1.80 | - | 168240 | 1.80 | - | - |
| 10 | Arun Akshat Kapoor(HUF) | 67200 | 0.72 | - | 67200 | 0.72 | - | - |
| | Total | 6655460 | 71.12 | - | 6655460 | 71.12 | - | - |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sl. No. | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| | At the beginning of the year | 6655640 | 71.12% | 6655640 | 71.12% |
| | Datewise Increase/Decrease in Promoters Share holding during the year | -- | -- | -- | -- |
| | At the End of the year | 6655640 | 71.12% | 6655640 | 71.12% |

(iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | Shareholding at the beginning of the year | | Cumulative Share holding during the year | |
|---|---|---------------------------------|--|----------------------------------|
| For Each of theTop10 Shareholders | No.of shares | %of total shares of the company | No. of shares | % of total shares of the Company |
| 1Suman J Desai | | | | |
| At the beginning of the year | 412500 | 4.41% | Nil movement during the year | |
| Datewise Increase/ Decrease in Shareholding during the year | - | - | | |
| At the End of the year | 412500 | 4.41% | | |
| 2Sunil Verma | | | | |
| At the beginning of the year | 412500 | 4.41% | Nil movement during the year | |
| Datewise Increase/ Decrease in Shareholding during the year | - | - | | |
| At the End of the year | 412500 | 4.41% | | |
| 3Vipul Jain | | | | |
| At the beginning of the year | 412500 | 4.41% | Nil movement during the year | |
| Datewise Increase/ Decrease in Shareholding during the year | - | - | | |
| At the End of the year | 412500 | 4.41% | | |
| 4Shree Gopal Gupta | | | | |
| At the beginning of the year | 312172 | 3.34% | 312172 | 3.34% |
| Datewise Increase/ Decrease in Shareholding during the year | 21.04.2014 (+)10072 | 0.10% | 32244 | 3.44% |
| At the End of the year | 32244 | 3.44% | 32244 | 3.44% |

| | | | | |
|---|---------------------|-------|------------------------------|------------|
| 5. Santosh Kumar Gupta(HUF) | | | | |
| At the beginning of the year | 293000 | 3.13% | 293000 | 3.13% |
| Datewise Increase/ Decrease in Shareholding during the year | 31.12.2014 (-)50000 | 0.53% | 243000 | 2.60% |
| At the End of the year | 243000 | 2.60% | 243000 | 2.60% |
| 6 Paramjeet Arora | | | | |
| At the beginning of the year | 89190 | 0.95% | Nil movement during the year | |
| Datewise Increase/ Decrease in Shareholding during the year | - | - | | |
| At the End of the year | 89190 | 0.95% | | |
| 7 K P Abraham | | | | |
| At the beginning of the year | 86710 | 0.93% | Nil movement during the year | |
| Datewise Increase/ Decrease in Shareholding during the year | - | - | | |
| At the End of the year | 86710 | 0.93% | | |
| 8 Ashok Kumar Nigam | | | | |
| At the beginning of the year | 85226 | 0.91% | Nil movement during the year | |
| Datewise Increase/ Decrease in Shareholding during the year | - | - | | |
| At the End of the year | 85226 | 0.91% | | |
| 9 Hari Om | | | | |
| At the beginning of the year | 71129 | 0.76% | 71129 | 0.76% |
| Datewise Increase/ Decrease in Shareholding during the year | 21.04.2014 (+)11216 | | 0.12% | 823450.12% |
| At the End of the year | 82345 | 0.88% | 82345 | 0.88% |
| 10 Ajay Kumar Srivastava | | | | |
| At the beginning of the year | 65648 | 0.70% | 65648 | 0.70% |
| Datewise Increase/ Decrease in Shareholding during the year | 21.04.2014 (+)8715 | 0.09% | 74363 | 0.79% |
| At the End of the year | 74363 | 0.79% | 74363 | 0.79% |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|----------------------------------|---|----------------------------------|
| For Each of the Directors and KMP | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. Dr. Atul Kapoor | 15,98,863 | 17.08% | 15,98,863 | 17.08% |
| 2. Dr. Rashmi Kapoor | 20,57,953` | 21.99% | 20,57,953 | 21.99% |
| 3. Dr. Deepak Gupta | 0 | - | 0 | - |
| 1 Dr. Atul Kapoor | | | | |
| At the beginning of the year | 15,98,863 | 17.08% | Nil movement during the year | |
| Datewise Increase / Decrease in Share holding during the year | - | - | | |
| At the End of the year | 15,98,863 | 17.08% | | |
| 2 Dr. Rashmi Kapoor | | | | |
| At the beginning of the year | 20,57,953 | 21.99% | Nil movement during the year | |
| Datewise Increase / Decrease in Share holding during the year | - | - | | |
| At the End of the year | 20,57,953 | 21.99% | | |
| 3 Ankit Mishra | | | | |
| At the beginning of the year | 0 | 0% | Nil movement during the year | |
| Datewise Increase / Decrease in Share holding during the year | - | - | | |
| At the End of the year | 0 | 0% | | |
| 4 Deepak Kumar Gupta | | | | |
| At the beginning of the year | 0 | 0% | Nil movement during the year | |
| Datewise Increase / Decrease in Share holding during the year | - | - | | |
| At the End of the year | 0 | 0% | | |

V. INDEBTEDNESS
Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|--------------------|----------|---------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 65,30,71,352 | 6,09,76,590 | 0 | 71,40,47,942 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 9,45,769 | 0 | 0 | 9,45,769 |
| Total (i+ii+iii) | 65,40,17,121 | 6,09,76,590 | 0 | 71,49,93,711 |

| | | | | |
|---|---------------------|--------------------|----------|---------------------|
| Change in Indebtedness during the financial year | | | | |
| • Addition | | | | |
| • Reduction | 38,75,445 | 62,84,289 | 0 | 1,01,59,734 |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 65,41,34,641 | 5,99,64,090 | 0 | 71,40,98,731 |
| ii) Interest due but not paid | 31,58,325 | 72,96,789 | 0 | 1,04,55,114 |
| iii) Interest accrued but not due | 5,99,600 | 0 | 0 | 5,99,600 |
| Total (i+ii+iii) | 65,78,92,566 | 6,72,60,879 | 0 | 72,51,53,445 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

| Sl.No. | Particulars of Remuneration | Dr. Atul Kapoor | Dr. Rashmi Kapoor | Amount |
|--------|---|-----------------|-------------------|---------------|
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 42,00,000/- | 40,80,000/- | 82,80,000/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 35,861/- | 90,290/- | 1,21,151/- |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2. | Stock Option - | - | - | - |
| 3. | Sweat Equity - | - | - | - |
| 4. | Commission | | | |
| | - as % of profit | 3,59,865/- | 3,59,865/- | 7,19,730/- |
| 5. | Others, please specify | - | - | - |
| | Total (A) | 45,95,726/- | 45,39,155/- | 91,25,881/- |
| | Ceiling as per the Act | 84,00,000/- | 84,00,000/- | 1,68,00,000/- |

B. Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | Total Amount |
|---------|--|-----------------------|--------------------------|-------------------------|------------------------|--------------------------------|--------------|
| | | Mr. Anil Kumar Khemka | Mr. Ratan Lal Srivastava | Mr. Subhash Chand Ahuja | Mr. Rajiv Kumar Bakshi | Mr. Ramakanta Madanmohan Panda | (in Rs.) |
| 3. | Independent Directors | | | | | | |
| | • Fee for attending board committee meetings | 86000/- | - | 20000/- | 30000/- | - | 1,36,000/- |
| | • Commission | | | | | | |
| | • Others, please specify | | | | | | |
| | Total (1) | 86000/- | - | 20000/- | 30000/- | - | 1,36,000/- |
| 4. | Other Non-Executive Directors | | | | | | |
| | • Fee for attending board committee meetings | - | 36000/- | - | - | - | 36000/- |
| | • Commission | | | | | | |
| | • Others, please specify | | | | | | |
| | Total(2) | - | 36000/- | - | - | - | 36,000/- |
| | Total(B)=(1+2) | 86,000/- | 36,000/- | 20,000/- | 30,000/- | - | 1,72,000/- |

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| Sl. No. | Particulars of Remuneration | | | |
|---------|---|-------------------|--------------------|--------------------|
| | | Company Secretary | CFO | Total |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3,25,000/- | 10,26,000/- | 13,51,000/- |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | |
| 2. | Stock Option | - | | |
| 3. | Sweat Equity | - | | |
| 4. | Commission | | | |
| | - as % of profit | - | | |
| | - others, specify... | - | | |
| 5. | Others, please specify | - | | |
| | Total | 3,25,000/- | 10,26,000/- | 13,51,000/- |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | - | - | - | - | - |
| | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |

ANNEXURE B**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangement entered into by the company with related parties referred to in sub-section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arms' length basis

| Sl. No. | Particulars | Details |
|---------|---|---------|
| | Name(s) of the related party and nature of relationship | NIL |
| | Nature of contracts / arrangements / transactions | NIL |
| | Duration of the contracts / arrangements / transactions | NIL |
| | Salient terms of the contracts or arrangements or transactions including the value, if any | NIL |
| | Justification for entering into such contracts or arrangements or transactions | NIL |
| | Dates of approval by the Board | NIL |
| | Amount paid as advances, if any | NIL |
| | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 | NIL |

2. Details of material contracts or arrangement or transactions at arms' length basis

| Sl. No. | Particulars | | | | | | | | |
|---------|--|---|--|---|--|--|--|---|--|
| a) | Name(s) of the related party | Mr. Anant Ram Kapoor | Dr. Atul Kapoor | Dr. Rashmi Kapoor | Mr. Arun Kapoor | Mr. Abhishek Kapoor | Mrs. Janvi Kapoor | HCG Regency Oncology Healthcare P. Ltd. | Regency Nephrocure Pvt. Ltd. |
| b) | Nature Of Relationship | Relative of Managing Director | Managing Director | Whole time Director | Relative of Managing Director | Relative of Managing Director | Relative of Managing Director | Associate Company | Associate Company |
| c) | Nature of contracts/arrangements/transactions | 1. Remuneration 2. Land Rent | 1. Remuneration 2. Lease Rent | 1. Remuneration 2. Lease Rent 3. Doctors fees | Remuneration | Remuneration | Remuneration | Investment | 1. Investment 2. Leasing of Property 3. Rendering Services 4. Availing Services |
| d) | Duration of the Contracts/arrangements/transactions | One year w.e.f. 01.04.2014 | 1. Three years w.e.f. 01.04.2014 2. One year w.e.f. 01.04.2014 | 1. 3 years w.e.f. 01.04.2014 2. One year w.e.f. 01.04.2014 3. One year w.e.f. 01.04.2014 | One year w.e.f. 01.04.2014 | One year w.e.f. 01.04.2014 | One year w.e.f. 01.04.2014 | Unspecified | 3 years w.e.f. 01.04.2014 |
| e) | Salient terms of the contract or arrangements or transactions | 1. Salary for office or place of Profit 2. Land Rent for the property situated at A-2, Sarvodaya Nagar, Kanpur | 1. Managerial Remuneration 2. Office Rent for the property situated at Flat No.718, 7th Floor, Mehagum Maestro, Plot No. 21-A, Block No. F, Sector-50, Noida. | 1. Managerial Remuneration 2. Office Rent for the Property Situated at 117/H-1/197, Pandu Nagar, Kanpur. 3. Doctor's fee for Patient consultant | 1. Salary for office or place of Profit | 1. Salary for office or place of Profit | Salary for office or place of Profit | Investment in Equity Shares 2. Leasing of Land and Building situated at Renal, Swaroop Nagar. 3. Renting of Medical equipments 4. Availing services of kit/ package for dialysis | 1. Investment in Equity Shares |
| f) | Justification for entering into such contracts or arrangements or transactions | At Arm's length Basis, approved by the Board | At Arm's length Basis, approved by the Shareholders | At Arm's length Basis, approved by the Shareholders | At Arm's length Basis, approved by the Board | At Arm's length Basis, approved by the Board | At Arm's length Basis, approved by the Board | At Arm's length Basis, approved by the Shareholder | At Arm's length Basis, approved by the Board |
| g) | Date(s) of approval by the Board | 14.08.2014 | 14.08.2014 | 14.08.2014 | 14.08.2014 | 14.08.2014 | 14.08.2014 | 14.08.2014 | 14.08.2014 |
| h) | Amount incurred during the year (Rs. In Lakhs) | 1. 1,80,000/- 2. 11,07,516/- | 1.46,86,016/- 2. 9,00,000/- | 1.44,39,865/- 2.39,00,000/- 3.45,49,119/- | 1.12,00,000/- | 1.18,00,000/- | 1. 2,40,000/- | 1. 10,00,000/- | 1. 0.00 2. 31,46,952/- 3.,20,60,028/- 4.3,29,17,046/- |

ANNEXURE D**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC :**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder :

| | |
|--|---|
| Conservation of Energy : (i) the steps taken or impact on conservation of energy (ii) the steps taken by the company for utilizing alternate sources of energy (iii) the capital investment on energy conservation equipments; | Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improve operational techniques. |
| Technology absorption : (i) the efforts made towards technology absorption (ii) the benefits derived like product improvement, cost reduction, product development or import substitution (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a. the details of technology imported b. the year of import; c. whether the technology been fully absorbed d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof (iv) the expenditure incurred on Research and Development. | Updation of Technology is a Continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to implement new machines required in the Healthcare Industry. By the updated use of technology and new machines, company has been able to successfully retain the patient's confidence with respect to its improved treatment. Company is coupled with a team of qualified Doctors and latest available diagnosis machines. Research and Technology and innovation continue to be one of the key focus area to drive growth. To support this, Company avails services of qualified and experienced professionals / consultants. The development work is carried by the concerned department on an ongoing basis. The expenses and cost of assets are grouped under the respective heads. |
| (C) Foreign exchange earnings and Outgo | The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Note No. 36 of other Notes to the Financial Statements. |

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies Appointment and remuneration Personnel) Rules, 2014]

To,

The Members,

REGENCY HOSPITAL LIMITED,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good practices by Regency hospital Limited (herein called the 'Company').

Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

In our opinion as based on the information provided to us by the company its officers, agents and authorized representative during the conduct of secretarial audit and our verification of the books, papers, minutes books, forms and return filed and other records maintained and made available to us by the company. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Regency Hospital Limited ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- The Companies Act, 1956/2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA) and rules made thereunder;
- The Depositories Act, 1956 and Regulations and Bye-Laws framed thereunder;
- The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- Environmental Protection Laws,
- Indian Medical Council Act 1956,
- The Pharmacy Act 1948, Blood Bank Regulations, Drugs Control Act 1950, and other law applicable on the hospitals

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Stock Exchange

During the Period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above.

We further report that:

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, women Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for the meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate system and process in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

2. Based on information provided by the company we report that the company has complied with all the clauses of the listing agreement. The Board Meeting under clause 41 of listing agreement in respect of Audited Financial results for the period and quarter ended on 31.03.2014 was held on 14.08.2014 and late fees in respect of delay has also been deposited to BSE Ltd. by the Company.
3. **We further report that :-**
- a) As informed by the company management they have obtained all licenses necessary for the company to work as a Hospital and has filed required returns under various laws on monthly, quarterly, annual and on occurrence basis.
 - b) As informed by the company they adhere to the Biomedical Waste Management Handling Rules, 1998 and the other Environmental Protection laws as applicable on the company.
 - c) As informed and on the basis of the data made available to us the company has complied with laws governing employment and management. Eg- Minimum Wages Act, 1948, Payment of Bonus Act 1956, Payment of Gratuity Act 1972, PPF Act 1968, and other applicable laws.

S K S & COMPANY
Company Secretaries

Place : Kanpur
Date : 23/05/2015

Sd/-
(Surendra Kumar Sahu)
FCS 5182, C.P. NO.4040

ANNEXURE D
CORPORATE SOCIAL RESPONSIBILITY

During the year Company constituted Corporate Social Responsibility Committee (CSR) pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below :

| | |
|--|---|
| 1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The CSR Committee decided to spend amount under promotion of education activities during the year 2014-15. Weblink: http://regencyhospital.in/csr_policy.html . |
| 2. The Composition of the CSR Committee. | Mr. Anil Kumar Khemka - Chairman Dr. Atul Kapoor - Member Dr. Rashmi Kapoor - Member |
| 3. Average net profit of the company for last three financial years. | Rs. 5,35,64,805/- |
| 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above). | Rs. 10,71,296/- |
| 5. Details of CSR spent during the financial year 2014-15 | Rs. 11,00,000/- |
| (a) Total amount to be spent for the financial year 2014-15 | Rs. 10,71,296/- |
| (b) Amount un spent , if any | NIL |

(c) Manner in which the amount spent during the financial year is detailed below

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------|-------------------------------------|--|--|--|---|---|--|
| S. No. | CSR project or activity identified. | Sector In which The Project Is Covered | Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken. | Amount outlay (budget) project or programs wise. | Amount spent on the projects or programs Sub-heads : 1) Direct on projects or programs- 2) Overheads: | Cumulative Expenditure upto the reporting Period. | Amount spent Direct or through implementing Agency |
| 1. | Promoting Education | Education | Local area / Uttar Pradesh / Kanpur | Rs. 11,00,000/- | Rs. 11,00,000/- | Rs. 11,00,000/- | Implementing Agency |
| TOTAL | | | | Rs. 11,00,000/- | Rs. 11,00,000/- | Rs. 11,00,000/- | |

MANAGEMENT STRUCTURE AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Overview of the Healthcare Services in India

India has had several achievements in the growth of its healthcare-services sector since independence. The country inherited basic and limited healthcare infrastructure, which was grossly inadequate to meet the demands of a large and diverse populace. From that starting point, India has emerged as a serious player in the global healthcare services delivery landscape with a multitude of world class healthcare institutions imbibing the highest standards of clinical excellence.

While the public sector was the predominant service provider for most of the post-independence era, over the last decades the private sector in India has steadily grown and enhanced its quality of operations to emerge as the leading provider of the entire array of healthcare services. Though Government initiatives in the field of healthcare are largely critiqued, there have been meaningful initiatives and innovative reforms.

Contributing approximately 4% to the country's Gross Domestic Product (GDP), the sector was valued at an estimated USD 90 billion in the last financial year. It is expected to continue to grow at a CAGR of 15% through 2017 to reach USD 160 billion.

According to WHO, India's per capita health expenditure stood at approximately US\$122 compared to approximately US \$7,164 in the United States, US \$3,222 in Germany and US \$265 in China. The global average per capita health expenditure was US \$863.

According to CRISIL, the private sector accounted for about 75% of total healthcare expenditure in India, which is among the highest proportions of private healthcare spending in the world.

Corporate hospital chains have been playing a key role in driving expansion and growth in the Industry. So far, corporate hospitals have mostly concentrated on expansion on Tier I cities (including metros) with large scale multi-specialty tertiary care facilities.

Apart from viewing the progress in terms of achievements by public and private healthcare institutions in the country, there has been significant improvement in various offerings across the healthcare spectrum in India. This is apparent from the strides made in primary care to quaternary care, expertise across various specialties, adoption of technology based treatment and large volumes of complex medical procedure being undertaken. The simultaneous progress and growth of allied offerings like diagnostics centre, medical & nursing colleges, pharmacies or medical insurance have resulted in extending and widening the reach of healthcare to all the corners of the country.

Structurally, the Indian healthcare system incorporates the key ingredients required to enable all the necessary health services to be delivered to the public effectively.

The Healthcare Services Delivery Landscape in India

A detailed analysis of the healthcare system in India reveals that our health care model needs further augmentation on several vital parameters, namely:

- Health expenditure as a percentage of GDP
- Per capita spending on healthcare
- Doctor-to-Population & Hospital Bed-to-Population ratio
- Infant and maternal mortality ratio
- Size of the healthcare market

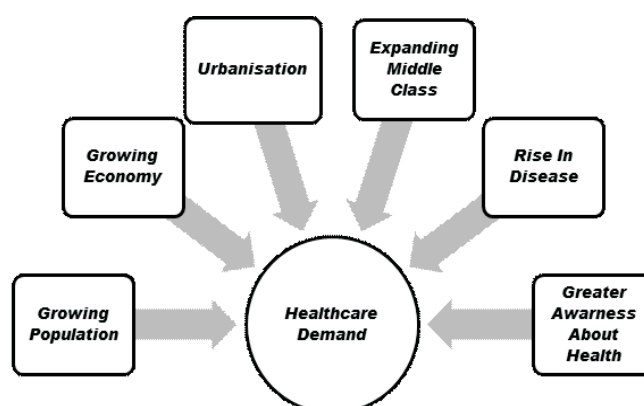
Ensuring healthcare for all calls for a multi-disciplinary & multi-pronged approach. Significant improvements in the delivery mechanism cannot be brought about by just changing or applying pressure on one factor and leaving the others unchanged. A model obsessed with controlling costs without paying attention towards changing other determinants will not lead to creation of a successful delivery system. Determinants like accessibility, quality standards, equitability, resource availability and equitable distribution need to be worked upon simultaneously to produce visible changes.

Key Characteristics:

A track record of sustained growth over along with the potential for accelerated growth in the future has sharpened the focus on the healthcare services delivery sector. Fundamental strengths are contributing to a favorable view for investing into the sector and the industry in India which is characterized by the following:

- Population growth and changing demographics
- Rising Burden of Non-Communicable Diseases
- Inadequate Public Infrastructure
- Rising per capital Income and Qualified Consciousness
- Disparity in Health Infrastructure between urban and rural areas
- Evolving Business Models
- Increased focus from Investors

KEY GROWTH DRIVERS:



The vast middle-class with increasing disposable income is continually seeking superior healthcare services. Likewise, more senior citizens are now demanding the best medical care, even if it comes with premium. Rapid internet penetration and increasing mobility have also raised people's awareness of quality healthcare, apart from triggering new demand for preventive care and treatment of various lifestyle related diseases. These trends are likely to spur greater spend on healthcare services across the country as well as accelerate the health insurance business.

With the rise in literacy levels across the country and growing awareness, it is expected that a greater percentage of the population will recognize the need for quality preventive and curative healthcare. This is likely to result in an increased demand for healthcare delivery services as the hospitalization rate (percentage of people who actually visit a hospital when unwell) will increase.

SWOT ANALYSIS:

• OPPORTUNITIES

There is a significant gap between the demand for and supply of quality healthcare in India. Apart from abysmal public healthcare facilities, India is faced with many other factors such as historical underinvestment, growing population and increasing incidence of lifestyle diseases. The current industry scenario favors larger players who can make the required investments and offer extensive and high quality treatments.

The nature of health problems is changing rapidly. As treatments struggle to keep pace with the increasing complexity of health problems there is an increase in the use of technological innovations. Further, there is a shift in the epidemiology profile of the country with a larger proportion of lifestyle diseases such as diabetes as well as increase in heart diseases and cancer. This is resulting in an increase in the average cost of treatment. Regency hospital Ltd. realizes the need of quality healthcare services in the area of its operations and its Board of Directors followed by qualified and experienced team of doctors specialized in their areas are endeavoring their best to bridge the gap of demand and supply of quality healthcare services.

• THREATS, RISKS & CONCERNS:

The increasing propensity for entrepreneurs and business houses to enter into the healthcare business has resulted in a spike in setting up of Greenfield facilities, JVs and acquisitions. In order to make these ventures remunerative after having invested significant funds, there is a chance that some of these players may resort to unsustainable pricing in order to gain market share.

Inflation rates in India have been high in recent years and high inflation is expected to continue for some time. Increasing inflation in India is depleting the purchasing power of patients and intensifying the cost of living for our employees. There is also upward pressure on other costs such as transportation, supplies, equipment and other

expenses, and an inability to manage costs or pass increased cost onto patients will lead to compressed returns.

The risk present in the healthcare industry is the emergence of several domestic hospital chains, combined with the entry of international players is leading to an increased number of competitors chasing finite resources such as land, quality medical professionals and potential acquisition targets. Demand growth is expected to outpace improved supply of these resources. A failure to acquire resources at fair and reasonable rates will impact the ability to suitably grow and expand our operations. Further, increases in operating costs can impact the Company's operations and financial condition.

The biggest concern is rising inflation in the economy. Staffing is a major concern for the healthcare industry as well. But these are sector wide concerns. For its part, Regency Hospital Limited has tried to address the concerns by focusing hard on cost cutting drives, economizing, digital adoption strategies to reduce dependence on manpower.

• STRENGTHS

Your Company is well known as the first corporate hospital network in the state of Uttar Pradesh. An impeccable track record, several pioneering initiatives and the sheer number of surgeries with high success rates have helped to establish the 'Regency' brand as a premier brand in the healthcare sector in India. This brand value provides several tangible and intangible benefits such as the belief and trust that makes patients choose Regency, the ability to attract doctors and other healthcare professionals ahead of competition, ability to appropriately price its healthcare services, sustained marketing benefits and a headstart in footfalls at new facilities.

Our management team comprises of senior professionals with abundant expertise and knowhow. They possess a proven track record in the healthcare services industry and have been instrumental in driving strategy and growth. The blend of doctors as well as qualified professionals for key functions has enabled the company to repeatedly balance the multiple objectives of delivering high standards of clinical excellence, best in class patient care, rapid technology adoption, value optimization and focus on key specialties' while growing in a steady and calibrated manner.

We have developed a distributed access model to comprehensively serve the healthcare needs of patients in their local communities through our network of multi-specialty hospitals and primary clinics. This gives us several touch points across the healthcare delivery chain which translates into a greater number of patient referrals thereby driving higher volumes.

COMPANY OVERVIEW :

Regency Hospital Ltd. was founded by Dr. Atul Kapoor in year 1987 and the company is listed on Bombay Stock Exchange in

the year 1992. We are headquartered in Kanpur, Uttar Pradesh and also manage through several subsidiaries, joint ventures and associates.

We are leading private healthcare services provider in Uttar Pradesh offering comprehensive end-to-end healthcare services. Our primary line of business is provision of healthcare services, through hospitals, pharmacies, and primary clinics. In addition we provide health insurance services and conduct education and training programs.

We have continuously increased in bed capacity creation and have increased the bed capacity under our management from 115 beds at the commencement of our hospital services in 1992 to more than 300 beds as of March 31, 2015.

Focuses on high operational effectiveness, timely delivery of quality care have ensured that the hospital maintains its leadership position.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your company has established a wide ranging system of Internal Controls to ensure that all assets are safeguarded and protected. Further, it has processes in place to ensure that all transactions are evaluated, authorized, recorded and reported accurately.

Your company has put in place a review mechanism whereby the management regularly reviews actual performance in comparison to forecasts. Any significant deviation from forecasts is reviewed and assessed rapidly to identify any market trends or shortcomings in service offerings.

The system is designed to adequately ensure that financial and other records are maintained in an optimum manner, are accurate and are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control procedures are augmented by an extensive program of internal, external and audits and periodic review by the management.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE HOSPITALS:

As of 31st March, 2015, we had a capacity of 310 beds which includes two hospitals and one Daycare Clinic located in Uttar Pradesh (Kanpur).

| | 2014-15 | 2013-14 |
|---------------------------------------|----------|----------|
| No of Hospital/Clinic | 3 | 2 |
| Number of Owned Beds | | |
| For indoor Patients | 280 | 280 |
| For Dialysis Patients | 30 | 20 |
| Total | 310 | 300 |
| Number of Revenue Earning Beds | | |
| For indoor Patients | 255 | 255 |
| For Dialysis Patients | 30 | 20 |
| Total | 285 | 275 |

| | | |
|---|--------|--------|
| indoor Patients treated | 15929 | 15162 |
| Dialysis Patients treated | 22467 | 17154 |
| Total | 38396 | 32316 |
| Average Length of Stay (Days) | | |
| indoor Patients | 3.99 | 4.12 |
| Bed Occupancy Rate(%) | | |
| indoor Patients | 68.36% | 67.19% |
| Dialysis Patients | 84.36% | 78.33% |
| Average Revenue per Occupied Bed Per Day | | |
| indoor Patients excluding Dialysis Patients | 11735 | 10886 |

DISCUSSION ON FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

The following table present summaries of results of operations for the years ended 31st March, 2015 and 2014:

| | 31.03.2015 | 31.03.2014 |
|---------------------------------|-----------------|----------------|
| Operating Revenues | 10308.73 | 9057.06 |
| Add: Other Income | 142.11 | 296.10 |
| Total Income | 10450.84 | 9353.16 |
| Operative expenses | 2084.3 | 1983.43 |
| Salaries and benefits | 2050.61 | 1654.43 |
| Administration & other expenses | 4355.53 | 3736.76 |
| Financial expenses | 873.21 | 729.58 |
| Depreciation and amortization | 468.53 | 526.05 |
| Total Expenses | 9834.19 | 8630.25 |
| Profit before Income Tax | 616.65 | 722.91 |
| Tax Expense | 250.78 | 263.19 |
| Profit after Tax | 365.85 | 459.72 |

RESULTS OF OPERATIONS

Regency Hospital Ltd. is constantly increasing its operation and achieving new heights and breaking its own records. During the year under review, Company achieved turnover of Rs. 10308.73 as against Rs 9057.06 in preceding financial year. All this are the constant endeavor of Board of Directors and constant quality services by Company. However, management still feels that it is not an end and there are still various targets to achieve.

Your company's marketing initiative continued the excellent pace of growth and rapidly expanded too many new areas of state.

HUMAN RESOURCES:

Successful companies across the world are recognized by their people and the innovations they bring to bear. This ethos has always underlined the human resource agenda at Regency Hospital Ltd. and hence the financial year 2014-15 too witnessed numerous initiatives and endeavors purpose-designed to enhance the company's people capital.

The healthcare services business is a labor intensive business. There are multiple touch points for patients in the entire process from preventive to diagnostic to curative services. At these touch points human interaction is a critical ingredient. Thus, it goes without saying that the quality, sincerity and dedication of our personnel have a significant impact of our services.

Your company proactively works to inculcate its vision and mission as well as high standard of values in each of its employees. There is a long-standing commitment to create a culture that embraces diversity and fosters inclusion. Apart from stringent selection processes, there are several initiatives in the domain of Health Education and Skill Development.

A structured and transparent compensation program is followed across the organization. Comprehensive evaluations are conducted and employees are made aware of their performance ratings on Key Result areas and Competencies.

The company follows a holistic approach to development of people with a focus on grooming the next generation of leadership. These robust processes ensure a continuous supply of manpower to support the organization's patient care delivery process and fuel its growth objectives.

CAUTIONARY STATEMENT:

Some of the statements in this Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your company's performance include increase in material costs, technology developments and significant changes in political and economic environment, tax laws and labor relations.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Now is the era of Corporate Governance: Keeping this motto in mind, Regency Hospital Ltd. believes that for sustainable existence and growth, Corporate Governance norms should be adheres to not only in law, but in spirit as well. Corporate Governance is not only about following prescribed standards for the purpose of compliances but in reality, it is the self developed practise and commitment by the Company towards its stakeholders including but not limited to surrounding lenvironment, government, shareholders, patients and public at large. Corporate Governance is the follow up of corporate practices in an ethical manner so as to contribute towards the growth of Country's economy. Corporate Governance result in better corporate accountability and disclosures leading to better value enhancement to stakeholders.

Regency Hospital Ltd. follows high level of ethical and good governance norms as reflected in the full compliances with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges. Through its qualified, professional and experienced Board and its management, the Company endeavours to deliver the highest governing standards for the benefit of its stakeholders.

At last, Company believes that Corporate Governance is the need of time for the development of the Company not only from compliance side but also from commercial side as the same leads to strengthening investor's confidence. Regency Hospital Ltd. is also accredited with NABH and NABL certificates.

2. BOARD OF DIRECTORS

In compliance of the clause 49(I)(A)(ii) of the Listing Agreement, the strength of Board of the Company is 7 (seven), of which, 4(four) Directors are Non-executive Independent Directors and 2(Two) are Executive Director of the Company. The Board is headed by Mr. Ratan Lal Srivastava, as Non-executive Chairman.

NUMBER OF BOARD MEETINGS:

In compliance with the provisions of clause 49 of the Listing Agreement, the Board Meetings are held at least four times a year and time gap between two meetings is not more than four months. During the year, 7 (Seven) Board meetings were held on June 10,2014, August 14,2014, November 12, 2014, December 9,2014, February 13,2015, March 25,2015 and March 31, 2015. The requisite particulars are given below:

| Sl. No. | NAME OF DIRECTOR | WHETHER/ PROMOTER/ EXECUTIVE/ INDEPENDENT | NO. OF BOARDMEETINGS DURING THE YEAR | | ATTENDANCE AT THE LAST AGM | OTHER DIRECTOR- SHIP | OTHER COMMITTEE | |
|---------|--------------------------------|--|---|----------|----------------------------------|----------------------------|--------------------|----------------|
| | | | HELD | ATTENDED | | | CHAIRMAN SHIP | MEMBER SHIP |
| 1 | Mr. Ratan Lal Srivastava | N.E.D. | 7 | 3 | N | 1 | - | 1 |
| 2 | Dr. Atul Kapoor | P & E.D. | 7 | 7 | Y | 3 | - | 3 |
| 3 | Dr. Rashmi Kapoor | P & E.D. | 7 | 7 | Y | 2 | - | 2 |
| 4 | Mr. Anil Kumar Khemka | I, N.E.D. | 7 | 7 | N | 1 | 4 | - |
| 5 | Mr. Rajiv Kumar Bakshi | I, N.E.D. | 7 | 2 | N | - | - | 3 |
| 6 | Mr. Subhash Chand Ahuja | I, N.E.D. | 7 | 2 | N | - | - | - |
| 7 | Mr. Ramakanta Madanmohan Panda | I, N.E.D. | 7 | - | N | 1 | - | - |

Notes :

1. P. & E.D.: Promoter & Executive Director; N.E.D. : Non Executive Director; I. & N.E.D: Independent Non executive Director
2. Non-executive directors as on 31st March, 2015 did not hold any share in Company.
3. For the purpose of the above, directorship in other public limited Companies only are considered.
4. For the purpose of the above, membership / chairmanship in the Audit Committee and Shareholders' Grievance Committee only are considered.
5. Mr. Subhash Chand Ahuja, was appointed as Additional Director, to strengthen the Board w.e.f. November 12, 2014 and four Board Meeting held after his appointment. A brief resume of the Mr. Ahuja is separately annexed and forms part of the report.
6. Mr. Ramakanta Madanmohan Panda, was appointed as Additional Director, to strengthen the Board w.e.f. February 13, 2015 and two Board Meeting held after his appointment. A brief resume of the Mr. Panda is separately annexed and forms part of the report

Disclosures regarding appointment/re-appointment of Directors

To strengthen the Board with more professional, qualified and experienced person, Mr. Subhash Chand Ahuja and Mr. Ramakanta Madanmohan Panda were appointed as Additional Director of the Company.

A brief resume of Mr. Ahuja and Mr. Panda is separately annexed and forms part of the report.

3. COMMITTEES OF THE BOARD:

A. AUDIT COMMITTEE

During the year, 4 (four) meetings of the Committee were held on June 10, 2014, August 14, 2014, November 12, 2014 and February 13, 2015. The Composition and attendance of the Committee as on March 31, 2015 was as follows:

| Sl.No. | Name & Designation | Category of Directorship | No. of meetings | |
|--------|---------------------------------|-----------------------------|-----------------|----------|
| | | | Held | Attended |
| 1 | Mr. Anil Kumar Khemka, Chairman | Independent, Non- Executive | 4 | 4 |
| 2 | Mr. Subhash Chand Ahuja Member | Independent, Non-Executive | 4 | - |
| 3 | Dr. Atul Kapoor, Member | Managing Director | 4 | 4 |
| 4 | Mr. Rajiv Kumar Bakshi, Member | Independent, Non-Executive | 4 | 2 |

Notes:

1. Mr. Subhash Chand Ahuja has been appointed as member of Audit Committee on 13.02.2015 and no such meeting of the committee has been held thereafter.
2. Mr. Ratan Lal Srivastava, due to some reasons has withdrawn his membership from the committee.

The Chairman of the Committee attended the Annual General Meeting of the Company. The Company Secretary acts as the Secretary to the Audit Committee.

The Committee performs the functions enumerated in clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The matters deliberated upon and reviewed by the Committee inter alia include:-

- Oversight of the Company's financial reporting process.
- To establish accounting policies and practices in consultation with management and Auditors.
- Reviewing with the Management, the financial results before placing them to the Board with a special emphasis on accounting policies and practices, internal controls, compliance with the accounting standards and other legal requirements concerning financial statements.
- Reviewing the adequacy of the audit and compliance function, including their policies, procedures, techniques and other regulatory requirements with the statutory auditors.
- To disclose financial information which is true, fair and objective.
- To establish appropriate internal controls and review the same with Management and Auditors.
- To recommend appointment / change of external auditors, audit fees and approve payment for other services.
- To meet Auditors regularly prior to commencement of audit to establish scope of audit.
- Reviewing internal audit functions, continuously, monitor and rectify any irregularities discovered in internal audit and report the same to the Board.
- Reviewing the financial and risk management policies.
- Reviewing management discussion and analysis of the financial condition and results of operations.
- Reviewing significant related party transactions.
- To review quarterly results and annual results with Auditors and place the same before the Board.
- Reviewing appointment, removal and terms of remuneration of Internal Auditors.

B. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises of 4 (four) directors - Mr. Anil Kumar Khemka, Chairman and Dr. Atul Kapoor, Dr. Rashmi Kapoor and Mr. Rajiv Kumar Bakshi are the members of the Committee. During the year, 4 (four) meetings were held on April 30, 2014, August 11, 2014, November 7, 2014 and January 28, 2015. The constitution and attendance of the Committee was as under:

| Name of Member | Nature of Directorship in the Company | Total meeting held during the tenure of the member | Meetings attended |
|----------------------------------|---------------------------------------|--|-------------------|
| Mr. Anil Kumar Khemka (Chairman) | Independent | 4 | 4 |
| Dr. Atul Kapoor | Managing Director | 4 | 4 |
| Dr. Rashmi Kapoor | Executive Director | 4 | 4 |
| Mr. Rajiv Kumar Bakshi | Independent | 4 | 3 |

Stakeholder Relationship Committee primarily focuses on redressal of complaints received by the Company from the shareholders. The Company Secretary of the Company acts as the Secretary to the Committee, who is designated as Compliance Officer pursuant to clause 47(a) of the listing Agreement with the stock Exchange.

During the year, 04 investors' grievances were received and all of them have been resolved. No shareholder complaint was pending at the beginning and at the end of the year. The company has acted upon all valid requests for share transfer received during the year and no such transfer remained pending for over 15 days.

C. NOMINATION AND REMUNERATION COMMITTEE

The Committee comprises of 3 (three) independent directors - Mr. Anil Kumar Khemka, Chairman, Mr. Ratan Lal Srivastava and Mr. Rajiv Kumar Bakshi, as the members of the Committee.

During the year, 1 (one) meeting was held on August 14, 2014. The constitution of the Committee and attendance is as under:

| Name of Members | Nature of Directorship in the Company | Total meetings held during the tenure of the member | Meetings attended |
|-------------------------------------|---------------------------------------|---|-------------------|
| Mr. Ratan Lal Srivastava (Chairman) | Independent | 1 | 1 |
| Mr. Anil Kumar Khemka | Independent | 1 | 1 |
| Mr. Rajiv Kumar Bakshi | Independent | 1 | 0 |

The role of the Nomination and Remuneration committee are enumerated below:

- Framing and implementing on behalf of the Board and on behalf of the shareholders, credible and transparent policy on remuneration of Executive Directors;
- Considering, approving and recommending to the Board the changes in designation and increase in salary of the Executive Directors;
- Ensuring that remuneration policy is good enough to attract, retain and motivate the Directors;
- Bringing about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

REMUNERATION POLICY

The remuneration of the Executive Directors of the company is determined by the Nomination and Remuneration Committee subject to the approval of Shareholders / Central Government, wherever required. The existing remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

Non Executive Independent Directors are eligible for sitting fees not exceeding the limits prescribed by the Companies Act, 2013. During the year there was no pecuniary relationships transaction between the Company and any of its Non Executive Independent Directors apart from sitting fees.

Details of remuneration of Executive Directors for the financial year ended March 31, 2015

Rs. In lacs

| Name of the Directors | Designation | Salary | Perquisite | Commission | Total |
|-----------------------|---------------------|---------|------------|------------|-----------|
| Dr. Atul Kapoor | Managing Director | 4200000 | 35,861 | 3,59,865 | 45,95,726 |
| Dr. Rashmi Kapoor | Whole-Time Director | 4080000 | 90,290 | 3,59,865 | 45,30,155 |

Details of Remuneration of Non Executive Directors for the financial year ended March 31, 2015

| Name of the Directors | Designation | Sitting Fees | Commission | Total |
|--------------------------|-------------|--------------|------------|------------|
| Mr. Ratan Lal Srivastava | Chairman | Rs. 36,000 | - | Rs. 36,000 |
| Mr. Anil Kumar Khemka | Director | Rs. 86,000 | - | Rs. 86,000 |
| Mr. Rajiv Kumar Bakshi | Director | Rs. 30,000 | - | Rs. 30,000 |
| Mr. Subhash Chand Ahuja | Director | Rs. 20,000 | - | Rs. 20,000 |

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Governance Committee comprises of 3 (three) directors - Mr. Anil Kumar Khemka, Chairman and Dr. Atul Kapoor and Dr. Rashmi Kapoor are the members of the Committee.

The Committee has been constituted in compliance of section 135 of Companies Act, 2013 with the objective to formulate and review the Corporate Social Responsibility Policy of the Company.

E. RISK MANAGEMENT COMMITTEE

- (i) In compliance of Clause 49 of the Listing Agreement, Risk Management Committee of the Company comprises of 4 Directors headed by Mr. Subhash Chand Ahuja as Chairman and Mr. Anil Kumar Khemka, Dr. Atul Kapoor and Dr. Rashmi Kapoor as the members of the Committee. The detailed Risk Management Policy of the Company are available at: <http://regencyhospital.in/pdf/risk-management-policy.pdf>

4. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

5. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on March 31, 2015, inter alia to discuss:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

6. GENERAL BODY MEETINGS

- Details of the last three Annual General Meetings were held as under:

| Year | Date and Time | Venue | Special Resolution Passed |
|---------|------------------------------------|------------------------------|---|
| 2011-12 | 29th September, 2012 at 11.00 A.M. | A-2, Sarvodaya Nagar, Kanpur | <ul style="list-style-type: none"> "Issue and allot of 10,48,000 Equity Shares (Ten Lacs Forty Eight Thousand only) on Preferential basis to the Promoters of the Company pursuant to section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. |
| 2012-13 | 28th September, 2013 at 11.00 A.M. | A-2, Sarvodaya Nagar, Kanpur | <ul style="list-style-type: none"> "Appointment of Dr. Atul Kapoor as Managing Director of the Company under Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act as approved by the Remuneration Committee. "Appointment of Dr. Rashmi Kapoor as Whole-time Director of the Company under Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act as approved by the Remuneration Committee |
| 2013-14 | 30th September, 2014 at 11.00 A.M. | A-2, Sarvodaya Nagar, Kanpur | <ul style="list-style-type: none"> "Revision of Remuneration of Dr. Atul Kapoor as Managing Director of the Company under Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, for a period of three years with effect from 01st April, 2014 "Revision of Remuneration of Dr. Rashmi Kapoor as Whole-time Director of the Company under Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, for a period of three years with effect from 01st April, 2014 "Authority to the Board of Directors of the Company under Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or charge its movable or immovable properties for an amount not exceeding Rs. 1,25,00,00,000/- (Rupees One Hundred Twenty Five Crores only). "Authority to the Board of Directors of the Company under Section 180(1)(c) of Companies Act, 2013 to borrow for the purpose of the business of Company any sum upto Rs. 1,25,00,00,000/- (Rupees One Hundred Twenty Five Crores only). "Resolution for Related Party Transaction with Regency Nephrocare Pvt. Ltd. |

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

During the year 2012-2013, One Extra Ordinary General Meeting of the members of the Company was held on 28th April, 2012 to issue and allot 4,00,00 (Four Lacs), 11% Optionally Fully Convertible Debentures (OFCDs) of the face value of Rs. 50/- each aggregating to Rs. 2,00,00,000/- (Rupees Two Crores only)

- Details Of Resolution Passed Through Postal Ballot Process:**

No Special resolution requiring postal Ballot is proposed for the ensuing Annual general meeting

7. DISCLOSURES:

- During the year under review, no materially significant transactions made by the company with its Promoters, Directors or Management, their subsidiaries or relatives etc. which may have a potential conflict with the interest of the Company at large. Statements of transactions in summary form with related parties in the ordinary course of business are placed at Audit Committee meetings and reviewed by the Committee. Details of transactions in which directors are interested are recorded in the Register of Contracts maintained pursuant to the provisions of section 189 of the Companies Act, 2013 and same is placed before the Board and signed by the directors present. In compliance with Accounting Standards AS 18, details of related party transactions are disclosed in the notes to accounts that form part of the Balance Sheet and Statement of Profit and Loss Account.
- During the last three years, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets.
- The Company has complied with all the mandatory requirements and adopted part of the non-mandatory requirements of Clause 49 of the Listing Agreement.

8. MEANS OF COMMUNICATION :

- The Quarterly and Annual Financial Results of the Company are submitted to stock exchanges immediately after the Board approves them. Thereafter, they are published in widely circulating national & local dailies such as Business Standard (in English) and Swatantra Bharat (in Hindi). These are not sent individually to the shareholders.
- The Company's results and other related information are displayed on the Company's web site- www.regencyhospital.in. Pursuant to clause 47(f) of the Listing Agreement, following email id has been designated exclusively for communicating investors' grievances: investor@regencyhealthcare.in

9. 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.

10. MANAGEMENT DISCUSSION & ANALYSIS REPORT :

Management Discussion and Analysis Report is set out in a separate section include in this Annual report.

11. GENERAL SHAREHOLDERS INFORMATION :

- Annual General Meeting:**

Date : 30th September, 2015
Time : 01:00 P.M.
Venue: A-2, Sarvodaya Nagar, Kanpur
- Book Closure Date** : From 23rd September, 2015 to 30th September, 2015
- Financial Calendar** : April - March
- Quarterly Results (Tentative)**
 - First Quarter Results : Second week of August, 2015
 - Second Quarter Results : Fourth week of October, 2015
 - Third Quarter Results : Fourth week of January, 2016
 - Annual results : Fourth week of May, 2016
- Listing of Equity Shares** : BSE LTD., Mumbai.
- Annual Listing fees** : For the year 2015-2016 has been duly paid to the Stock Exchanges.
- Stock Code:**

BSE - 526403 ;
UPSE : R00033
- ISIN of Equity Shares** : INE581K01010
- Depository Fees** : For the year 2015-2016 has been duly paid to the

NSDL and CDSL.

- **Corporate Identity Number (CIN)** : L85110UP1987PLC008792
- **Registrar & Transfer Agents** : Skyline Financial Services Pvt. Ltd.
D-153/A, 1st Floor, Okhala Industrial Area, Phase -1,
New Delhi -110020
Contact No.: 011-26292680, 82, 83 & 84
Fax No.: 011-26292681

12. MARKET PRICE DATA:

The closing market price of equity share on 31st March, 2015 (last trading day of the year) was Rs. 53.00 on BSE.

| Month | BOMBAY STOCK EXCHANGE | | |
|-----------------|-----------------------|-------|------------------|
| | High | Low | Average Turnover |
| April, 2014 | 45 | 40.00 | 239545.2 |
| May, 2014 | 52.7 | 36.1 | 21321.06 |
| June, 2014 | 54.95 | 34.4 | 18023.36 |
| July, 2014 | 53.1 | 40.1 | 23273.5 |
| August, 2014 | 84.25 | 51.00 | 10056.5 |
| September, 2014 | 80.1 | 49.55 | 31629.23 |
| October, 2014 | 49.4 | 47.35 | 1224.5 |
| November, 2014 | 51.6 | 45.15 | 1127.78 |
| December, 2014 | 49.00 | 44.5 | 5394.85 |
| January, 2015 | 62.8 | 47.05 | 30373.08 |
| February, 2015 | 73.45 | 49.1 | 74912.65 |
| March, 2015 | 55.1 | 48.25 | 40114.35 |

No trading recorded on the Uttar Pradesh Exchange Association Limited.

13. PERFORMANCE OF THE SHARE PRICE OF THE COMPANY IN COMPARISON TO THE BSE SENSEX:

| Month | RHL Share Price | BSE Sensex |
|-----------|-----------------|------------|
| Apr-2014 | 40.00 | 22417.8 |
| May-2014 | 44.40 | 24217.34 |
| Jun-2014 | 45.00 | 25413.78 |
| Jul-2014 | 53.05 | 25894.97 |
| Aug-2014 | 72.25 | 26638.11 |
| Sep-2014 | 52.00 | 26630.51 |
| Oct-2014 | 47.35 | 27865.83 |
| Nov-2014 | 45.15 | 28693.99 |
| Dec-2014 | 47.00 | 27499.42 |
| Jan-2015 | 61.00 | 29182.95 |
| Feb-2015 | 51.55 | 29361.5 |
| Marc-2015 | 53.00 | 27957.49 |

14. SHAREHOLDING PROFILE

- Distribution of Shareholding as on 31/03/2015:**

| Category | | Shareholders | | Nominal Value | |
|---------------|-------|--------------|---------------|-------------------|---------------|
| From | To | Number | % Cases | Total Shares | %age |
| 1 | 500 | 15537 | 99.56 | 241137.00 | 2.58 |
| 501 | 1000 | 20 | 0.13 | 16361.00 | 0.17 |
| 1001 | 2000 | 9 | 0.06 | 14798.00 | 0.16 |
| 2001 | 3000 | 6 | 0.04 | 15799.00 | 0.17 |
| 3001 | 4000 | 2 | 0.01 | 6612.00 | 0.07 |
| 4001 | 5000 | 3 | 0.02 | 14885.00 | 0.16 |
| 5001 | 10000 | 2 | 0.01 | 15345.00 | 0.16 |
| 10001 & Above | | 27 | 0.17 | 9033731.00 | 96.53 |
| Total | | 15606 | 100.00 | 9358668.00 | 100.00 |

- Shareholding pattern as on 31/03/2015:**

| Category Code | Category of Shareholder | Number of Shareholders | Total Number of Shares | As a Percentage of (A+B+C) |
|---------------|--|------------------------|------------------------|----------------------------|
| (A) | Shareholding of Promoters and Promoter Group: | | | |
| (1) | Indian | 12 | 66,55,460 | 71.12 |
| (2) | Foreign | 0 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group | 12 | 66,55,460 | 71.12 |
| (B) | Public Shareholding: | | | |
| (1) | Institutions | 12 | 53320 | 0.57 |
| (2) | Non Institutions | 15,582 | 2649888 | 28.31 |
| | Total Public Shareholding | 15594 | 2703208 | 28.88 |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | 0 | 0 | 0 |
| | TOTAL (A)+(B)+(C) | 15,606 | 93,58,668 | 100.00 |

- Outstanding GDRs / ADRs / Warrants or any convertible instruments conversion date and likely impact on equity :**

Not applicable

- Code of Conduct for Prevention of Insider Trading**

The Company has adopted a comprehensive code of conduct for prevention of insider trading in shares of the Company, in terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code is designed to maintain the highest ethical standards and elaborately prescribes the procedures to be followed while dealing in the shares of the Company.

The Code is applicable to promoters, directors, auditors, senior officials of the Company and their dependents. The Code restricts the said persons to deal in the shares of the Company whilst in the possession of any unpublished price sensitive information. They are also prohibited from dealing in the shares of the Company during the trading window closed periods announced by the Company, from time to time.

The code has been disseminated through the Company's website.

• **Share Transfer System :**

Share Transfers would be registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. The Board has delegated the authority for approving transfer, transmission etc of the Company's securities to the Share Transfer Committee. A summary of transfer and transmission of securities of the Company so approved by the Committee is placed at every Board Meeting. The Company obtains from a Company Secretary in Practice half -yearly certificate of compliance with transfer formalities as required under clause 47 (c) of the Listing Agreement with Stock Exchanges.

• **Dematerialisation of shares and liquidity:**

The Company's equity shares are included in the list of companies whose scrip have been mandated by Securities Exchange Board of India for settlement only in dematerialised form by all investors. The company has signed agreements with National Securities Depositories Ltd. and Central Depositories Services (India) Ltd to offer depository services to its shareholders. As on 31st March, 2015, a total of 90,54,420 out of a total 93,58,668 equity shares of the company constituting 96.75 percent of share capital stand dematerialised. The processing activities of De-mat requests are normally confirmed within an average of 15 days.

• **Reconciliation of Share Capital Audit :**

In compliance of SEBI circular, your company has engaged Mr. Surendra Kumar Sahu, Practising Company Secretary to certify and conduct audit relating to reconciliation of total capital held in Depositories, viz, NSDL and CDSL and in physical form with the total issued/ paid up capital. The certificate given by him is submitted to the Stock Exchanges where the securities of the company are listed within 30 days of the end of each quarter. The company also obtains from a Practising Company Secretary half yearly certificate of compliance as required under Clause 47 (c) of Listing Agreement and files the same immediately with Stock Exchanges.

15. Works Locations of the company :

- A-2, Sarvodaya Nagar, Kanpur - 208005
- Renal Science Centre, Swaroop Nagar, Kanpur - 208002
- Regency City Clinic, Parede, Kanpur - 208001

16. Address for Correspondence :

Shareholders' correspondence should be addressed to the Company's Registrar and Share transfer Agent at the address mentioned above

Shareholders may also contact Mr. Ankit Mishra, Company Secretary at the Registered Office of the Company for any assistance Tele. No. : (0512) - 3081111 Extn. - 358.

e-mail id : ankitmishra@regencyhospital.in

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

CERTIFICATE PURSUANT TO CLAUSE 49 V OF THE LISTING AGREEMENT

We, Dr. Atul Kapoor, Managing Director and Deepak 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, 2015 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, 2015 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.

Place: New Delhi
Date: 30.05.2015

Dr. Atul Kapoor
Managing Director

Deepak Kumar Gupta
Chief Financial Officer

Certificate on Compliance with Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2014-15

Place: New Delhi
Date: 30.05.2015

Dr. Atul Kapoor
Managing Director

Auditors' Certificate on Corporate Governance

To

The Members of Regency Hospital Limited

We have examined the compliance of the conditions of Corporate Governance by Regency Hospital Limited, for the year ended on 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best 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 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 31st March, 2015, there were no investor grievance against the Company remaining unattended/ pending for the more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with the management has conducted the affairs of the Company.

For Jain Dhingra & Associates

(Chartered Accountant)

Firm Registration No.

R.N. Dhingra

Partner

Membership No. 15385

Place: New Delhi

Date: 30.05.2015

INDEPENDENT AUDITORS' REPORT

**TO
THE MEMBERS OF
REGENCY HOSPITAL LIMITED
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the accompanying consolidated financial statements of REGENCY HOSPITAL LIMITED ("the Company") which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements / consolidated financial statements of the associates noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Our report is not qualified in respect of other matters.

For Jain Dhingra & Associates
Chartered Accountants
Firm Regn No. 000987C

(R. N. Dhingra)
Partner

New Delhi, 30th May, 2015

Membership No. 15385

Consolidated Balance Sheet as at 31st March, 2015

| | Particulars | Note No. | As at March 31, 2015 | As at March 31, 2014 |
|---|------------------------------------|----------|----------------------|----------------------|
| I. | EQUITY AND LIABILITIES | | | |
| | Shareholders' funds | | | |
| | (a) Share capital | 1(b) | 93,586,680 | 93,586,680 |
| | (b) Reserves and surplus | 2 | 296,330,728 | 259,184,398 |
| | Minority Interest | | 10 | 10 |
| | | | 389,917,418 | 352,771,088 |
| | Non-current liabilities | | | |
| | (a) Long-term borrowings | 3 | 441,049,937 | 446,077,873 |
| | (b) Deferred tax liabilities (Net) | 4(a) | 30,579,373 | 19,818,486 |
| | (c) Long-term provisions | 5 | 9,648,423 | 6,062,000 |
| | Current liabilities | | | |
| | (a) Short-term borrowings | 6 | 211,587,777 | 192,118,721 |
| | (b) Trade payables | | 10,540,548 | 27,812,169 |
| | (c) Other current liabilities | 7 | 93,642,160 | 93,797,010 |
| | (d) Short-term provisions | 8 | 17,755,325 | 13,166,257 |
| | TOTAL | | 1,204,720,961 | 1,151,623,603 |
| II. | ASSETS | | | |
| | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 9 | 700,112,540 | 657,856,483 |
| | (ii) Capital work-in-progress | | 1,713,300 | 16,735,795 |
| | (b) Non-current investments | 10 | 57,979,134 | 56,417,809 |
| | (c) Deferred tax assets (net) | 4(b) | 3,655,386 | 2,731,968 |
| | (d) Long-term loans and advances | 11 | 46,288,198 | 38,962,808 |
| | (e) Other Non-Current Assets | 12 | 82,232 | 53,883 |
| | (f) Goodwill on Consolidation | | 8,100,000 | 8,100,000 |
| | Current assets | | | |
| | (a) Current investments | 13 | 12,828,541 | 2,791,889 |
| | (b) Inventories | 14 | 63,506,006 | 42,896,491 |
| | (c) Trade receivables | 15 | 225,485,295 | 195,713,786 |
| | (d) Cash and cash equivalents | 16 | 61,064,946 | 111,489,567 |
| | (e) Short-term loans and advances | 17 | 20,459,657 | 15,503,384 |
| | (f) Other current assets | 18 | 3,445,727 | 2,369,740 |
| | TOTAL | | 1,204,720,961 | 1,151,623,603 |
| III. Notes Forming Part of the Financial Statements 1-40 | | | | |

As per our report attached

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

Registration No.: 000987C

R.N.Dhingra

Partner

Membership No. 15385

For and on behalf of the Board

Ratan Lal Srivastava
Chairman

Dr. Atul Kapoor
Managing Director

Dr. Rashmi Kapoor
Whole-Time Director

Anil Kumar khemka
Director

Subhash Chand Ahuja
Director

Rajiv Kumar Bakshi
Director

Deepak Kumar Gupta
Chief Financial Officer

Ankit Mishra
Company Secretary

DATE : 30.05.2015

PLACE : New Delhi

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Audited Profit and Loss statement for the year ended 31st March, 2015

| | Particulars | Note No | Figures for the year ended March 31, 2015 | Figures for the year ended March 31, 2014 |
|--|---|---------|---|---|
| I. | Revenue from operations | 19 | 1,030,873,234 | 905,705,530 |
| II. | Other Income | 20 | 14,211,018 | 29,610,298 |
| III | Changes in inventories of Stock-in-Trade | 21 | 21,350,234 | 6,055,649 |
| | III. Total Revenue (I +II+III) | | 1,066,434,486 | 941,371,477 |
| IV. | Expenses: | | | |
| | Cost of materials consumed | 22 | 32,318,172 | 45,955,449 |
| | Purchase of Stock-in-Trade | 23 | 197,462,178 | 158,443,858 |
| | Employee benefit expense | 24 | 205,261,463 | 165,442,941 |
| | Financial costs | 25 | 87,321,853 | 72,958,355 |
| | Depreciation and amortization expense | 9 | 46,853,230 | 52,605,422 |
| | Other expenses | 26 | 435,552,541 | 373,675,172 |
| | Total Expenses | | 1,004,769,437 | 869,081,196 |
| V. | Profit Before Tax | | 61,665,050 | 72,290,280 |
| VI | Tax expense: | | | |
| | (a) Current tax | | 15,227,735 | 19,956,891 |
| | (b) Add : MAT Credit | | | |
| | (d) Deferred Tax | | 9,837,469 | 5,986,948 |
| | Income Tax related earlier year | | 14,840 | 375,498 |
| VII | Profit after Tax before share of Minority Interest | | 36,585,006 | 45,970,943 |
| | Less: Share of Profit of Minority Interest | | - | - |
| | Add: Share of Profit/(Loss) of associate after tax | | 561,325 | (6,677,463) |
| | Profit for the year (after adjustment of Minority Interest) | | 37,146,331 | 39,293,480 |
| VIII | Earning per equity share: | | | |
| | (1) Basic | 29 | 3.97 | 4.91 |
| | (2) Diluted | | 3.97 | 4.91 |
| IX Notes Forming Part of the Consolidated Financial Statements 1-40 | | | | |

As per our report attached

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

Registration No.: 000987C

R.N.Dhingra

Partner

Membership No.15385

For and on behalf of the Board

Ratan Lal Srivastava
ChairmanDr. Atul Kapoor
Managing DirectorDr. Rashmi Kapoor
Whole-Time DirectorAnil Kumar khemka
DirectorSubhash Chand Ahuja
DirectorRajiv Kumar Bakshi
DirectorDeepak Kumar Gupta
Chief Financial OfficerAnkit Mishra
Company Secretary

DATE : 30.05.2015

PLACE : New Delhi

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2015

| | Particulars | In Rs 2015 | In Rs 2014 |
|--|--|---------------------|--------------------|
| I | Net Profit Before Tax as per Statement of Profit & Loss | 61,665,050 | 72,290,280 |
| | Add/(Deduct): | | |
| | Depreciation | 46,853,230 | 52,605,422 |
| | Interest & Financial Charges | 87,321,851 | 72,970,526 |
| | Loss on Sale of Assets (Net) | 1,078,385 | - |
| | Profit on Sale of Investments | 638,910 | - |
| | Share of Profit/(Loss) of associate | 561,325 | (6,677,463) |
| | Operating Profit before Working Capital Changes | 198,118,751 | 191,188,765 |
| | Add/(Deduct): | | |
| | Inventories | (20,609,515) | (7,837,561) |
| | Trade Receivables | (29,771,509) | (56,548,381) |
| | Long Term and Short Term Loans & Advances and other assets | (13,386,000) | 7,864,212 |
| | Trade Payables other Liabilities and provisions | (9,250,980) | 60,902,727 |
| | Cash Inflow from Operations | 125,100,748 | 195,569,762 |
| | Interest Paid | 87,321,853 | 72,970,526 |
| | Taxation | 15,242,575 | 20,332,389 |
| | Net Cash inflow from Operating Activities | 22,536,321 | 102,266,848 |
| II | CASH FLOW FROM INVESTING ACTIVITIES: | | |
| | Inflow: | | |
| | Sale of Fixed Assets | 3,692,000 | |
| | Sale of Investments | 12,573,192 | |
| | Outflow: | | |
| | Purchase of Fixed Assets | 78,857,176 | 44,267,499 |
| | Purchase of Investments | 24,810,079 | 54,876,523 |
| | | 87,402,063 | 99,144,022 |
| | Net Cash used in Investing Activities | 87,402,063 | 99,144,022 |
| | | (64,865,742) | 3,122,826 |
| III | CASH FLOW FROM FINANCING ACTIVITIES: | | |
| | Proceeds from term Loans | (4,065,435) | 98,776,014 |
| | Proceeds from Other Borrowings | 18,506,556 | (15,355,126) |
| | Proceeds From Issue of Share Capital to Minority | | 10 |
| | Net Cash from Financing Activities | 14,441,121 | 83,420,899 |
| | Net Increase /(decrease) in Cash & Cash Equivalent | (50,424,621) | 86,543,724 |
| | Cash & Cash Equivalent as at 01.04.2014 | 111,489,567 | 24,945,843 |
| | Cash or Cash equivalent as at 31.03.2015 | 61,064,946 | 111,489,567 |
| | Net Increase /(decrease) in Cash & Cash Equivalent | (50,424,621) | 86,543,724 |
| IV Notes Forming Part of the Consolidated Financial Statements 1-40 | | | |

As per our report attached

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

Registration No.: 000987C

R.N.Dhingra

Partner

Membership No.15385

For and on behalf of the Board

Ratan Lal Srivastava
Chairman

Dr. Atul Kapoor
Managing Director

Dr. Rashmi Kapoor
Whole-Time Director

Anil Kumar Khemka
Director

Subhash Chand Ahuja
Director

Rajiv Kumar Bakshi
Director

Deepak Kumar Gupta
Chief Financial Officer

Ankit Mishra
Company Secretary

DATE : 30.05.2015

PLACE : New Delhi

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1A. SIGNIFICANT ACCOUNTING POLICIES :

a) System of Accounting :

- a) The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.
- b) The Consolidated Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

b) Basis of preparation of financial statements

These Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/2013 dated September 13, 2013 read with circular 08/2014 dated April 4, 2014, till the standard of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these Financial Statements have been prepared to comply in all material aspects with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act") read with the General Circular dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

c) Principles Of Consolidation

The consolidated financial statements relate to Regency Hospital Limited ("the Company") and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on following basis :

- i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard-21 'Consolidated Financial Statements', issued under the Companies (Accounting Standards) Rules, 2006.
- ii) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in financial statements as Good will or Capital

Reserve, as the case may be.

- iii) Minority Interest's share of net profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group In order to arrive at the net income attributable to shareholders of the Company.
- iv) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- v) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23-"Accounting for Investments in Associates in Consolidated Financial Statements".
- vi) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Profit or Loss through its reserves for the balance based on available information.
- vii) The Consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as Standalone Financial Statements of the parent Company
- viii) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".
- ix) The Financial Statement of the parent Company and its subsidiary Company (excluding associate Companies) have been combined on a line-by-line basis by adding together book values of the items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profits or losses. Financial Statement of the parent and associate companies has been combined as per Accounting Standard 23 on the basis of Equity Method.
- x) Following subsidiary / Associate companies have been considered in the operation of the consolidated statements:

| Sl. No | Name of Entities | Relationship | Country of Incorporation | % of Ownership held by the Company | |
|--------|---|-------------------------|--------------------------|------------------------------------|---------------------------|
| | | | | As At 31st March, 2015 | As At 31st March, 2014 |
| 1. | HCG Regency Oncology Healthcare Private Limited | Associate Company | India | 49.90% | 71.22% |
| 2. | Regency Lifecare Private Limited | Wholly owned Subsidiary | India | 100% | 100% |
| 3. | Regency Nephrocare Private Limited | Associate Company | India | 49% | 49% |

d) Use of Estimates :

The preparation of Financial Statement requires certain estimates and assumptions to be made that effect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

e) Inventories :

- The inventories of all medicines, medicare items traded and dealt with by the Company are valued at cost. Cost of these inventories comprises of all cost of purchase and other costs incurred in bringing the inventories to their present location after adjusting for VAT wherever applicable applying the FIFO Method.
- Stocks of Provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realizable value is not applicable in absence of any further modification /alteration before being consumed in house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to present location after adjusting for VAT wherever applicable applying the FIFO Method.
- Surgical instruments, linen, crockery and cutlery are valued at cost. The net realizable value is not applicable in absence of any further modification /alteration before being consumed in house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to present location after adjusting for VAT wherever applicable applying the FIFO Method.

f) Investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other are classified as Long term investments. Long term investments including trade investments are stated at cost, after providing for any diminution in value, if such diminution is other than

temporary in nature. Investments comprise of investment in subsidiary company in which the Company has strategic business interest.

g) Cash and Cash Equivalents:

In the cash flow statement, Cash and Cash Equivalents includes Cash in Hand, term deposit with Bank and short term highly liquid investments with original maturities of three months or less.

h) Cash Flow Statement:

Cash flows are reported using the Indirect Method whereby Profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating investing and financing activities of the company are segregated.

i) 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.

j) Fixed Assets:

- Fixed assets are stated at cost including expenses incurred up to the date of their installation / commissioning as reduced by accumulated depreciation / impairment provided in the accounts. Capital work-in-progress is stated at cost.
- Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular are capitalized and depreciated over the residual life of the respective assets.
- Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act, 2013.

iv) Leasehold lands are amortized over the lease period.

k) Intangible Assets

Cost incurred on intangible assets, resulting in future economic benefits are capitalized as intangible assets and amortized on a straight-line method beginning from the date of capitalization over a period of 9 years.

l) Impairment of Assets:

The carrying amount of the asset is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there is change in the estimates used to determine the recoverable amount.

m) Foreign Currencies in Transactions and translations:

Transactions denominated in foreign currency are recorded at exchange rates prevailing at the date of transaction or rates that closely approximate the rate at the date of transaction. Any gain or loss on settlement of monetary items denominated in foreign currencies transactions during the year or at the time of translation at the year end rates is recognized in the statement of Profit & Loss.

Exchange difference arising on long term foreign currency monetary items has been accounted in accordance with option granted vide notification no. GSR 225(E) dated 31.03.2009 issued by the Ministry of Corporate Affairs wherein exchange difference arising on restatement of long term foreign currency monetary items (other than for acquisition of depreciable capital assets) have been recognized over the shorter of the maturity period of monetary items or 31st March, 2011. The unrecognized amount is reflected as foreign currency translation reserve as part of reserve and surplus.

n) Revenue Recognition:

- i) Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March, 2015.
- ii) Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and inclusive of VAT wherever applicable.
- iii) Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.

iv) Income from Educational services is recognized on the basis of fee due on each semester from students

o) Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

p) Employee Benefits:

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which employees render service), and post employment benefits (benefits which are payable after completion of employment), are measured on a discounted basis by the Projected Unit Credit Method, on the basis of annual third party actuarial valuations.

Defined Contribution Plan

The Company makes contribution towards Provident Fund and Employees State Insurance Fund as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund Plan is operated by the Regional Provident Fund Commissioner and Employees State Insurance Plan is operated by Regional Director Employees State Insurance Corporation. Under both the schemes, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits.

Defined Benefit Plans

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

Gratuity

The Company makes provision of gratuity on the basis of annual third party actuarial valuations at the end of the accounting period.

Leave Encashment Benefits

The Company has a policy not to accumulate leave encashment benefits of the employees. The Company pays leave encashment Benefits to employees at end of each accounting period.

q) Segment Reporting :

(i) Identification of Segments

The Company has complied with Accounting Standard 17 - 'Segment Reporting' with Business as the primary segment. The business segments are primarily healthcare and educational services. The Company operates in a single geographical segment, which is India, and the products sold in the pharmacies, are regulated under the Drug Control Act, which applies uniformly all over the Country. The risk and returns of the enterprise are very similar in different geographical areas within the Country and hence there is no reportable secondary segment as defined in Accounting Standard 17.

(ii) Segment Policies

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies for Segment Reporting :

- a. Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenues of the segment and manpower efforts. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under 'unallocable expenses'.
- b. Assets and liabilities directly attributable or allocable to segments are disclosed under each reportable segment. All other assets liabilities are disclosed as unallocable.

The Company has disclosed this Segment Reporting in Consolidated Financial Statements as per para (4) of Accounting Standard - 17- 'Segment Reporting'.

r) Taxation:

Provision for taxation comprises of current tax and deferred tax. The deferred tax charge or credit is recognized, using subsequently enacted tax rates for timing differences between book and tax profits.

Deferred tax assets arising on account of carry forward losses and unabsorbed depreciation are recognized only when there is virtual certainty of realization of such assets. Other deferred tax assets are recognized to the extent there is reasonable certainty of realization in future.

Tax Credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.

s) Earning Per Share:

In determining the earnings per share, the Company considers the net profit after tax before extraordinary item and after extraordinary items and includes post - tax effect of any extraordinary items. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period.

For computing diluted earnings per share, potential equity shares are added to the above weighted average number of shares.

t) Leases:

Operating Leases: Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized in the Statement of Profit and Loss on a straight line basis in accordance with the respective lease agreements.

Finance leases: The lower of the fair value of the lease assets at the inception of the lease and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

u) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

Notes forming part of the Consolidated Financial Statements

Note: 1(b) SHARE CAPITAL

| PARTICULARS | As at March 31, 2015 (in Rs) | As at March 31, 2014 (in Rs) |
|---|-------------------------------------|-------------------------------------|
| Authorised 11400000(2013-14:11400000) Equity Shares of Rs10/-Each | 114,000,000 | 114,000,000 |
| Issued Subscribed & Fully Paid up 9358668(2013-14:9358668) Equity Shares of Rs10/-Each Fully paid up | 93,586,680 | 93,586,680 |
| TOTAL | 93,586,680 | 93,586,680 |

Reconciliation of Number of Shares

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|---|----------------------|--------------|----------------------|--------------|
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 9358668 | 93,586,680 | 9358668 | 93,586,680 |
| Shares Issued during the year | 0 | - | 0 | - |
| Shares bought back during the year | 0 | - | 0 | - |
| Shares outstanding at the end of the year | 9358668 | 93,586,680 | 9358668 | 93,586,680 |

Shares held by the holding Company, its subsidiaries and associates

| As at March 31, 2015 | As at March 31, 2014 |
|----------------------|----------------------|
| NIL | NIL |

Shareholders holding more than 5% of total paid up capital

| Name of Shareholder | As at March 31, 2015 | | As at March 31, 2014 | |
|---------------------|------------------------------|--------------|------------------------------|--------------|
| | No. of Equity Shares held | % of Holding | No. of Equity Shares held | % of Holding |
| Dr. Atul Kapoor | 1598863 | 17.08 | 1598863 | 17.08 |
| Atul Kapoor(HUF) | 1182523 | 12.64 | 1182523 | 12.64 |
| Dr. Rashmi Kapoor | 2057953 | 21.99 | 2057953 | 21.99 |
| Asha Kapoor | 656666 | 7.02 | 656666 | 7.02 |
| Soni Kapoor | 649210 | 6.94 | 649210 | 6.94 |

The Company has issued only one class of the shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amount, in proportion of the number of equity shares held by each shareholder.

Notes forming part of the Consolidated Financial Statements
Note 2 Reserve and Surplus

(in Rs)

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| a Capital Reserves | - | - |
| b Securities Premium Account | - | - |
| Opening Balance | 9,971,000 | 9,971,000 |
| Add: Transferred from statement of Profit & Loss | | |
| Closing Balance | 9,971,000 | 9,971,000 |
| c General Reserve | | |
| Opening Balance | 118,740,101 | 118,740,101 |
| Add: Transferred from statement of Profit & Loss | | |
| Add :- Transferred from capital reserve | - | |
| Closing Balance | 118,740,101 | 118,740,101 |
| d Surplus in Statement of Profit and loss | | |
| Opening balance | 130,473,297 | 91,179,817 |
| Add: Net Profit for the current year | 37,146,331 | 39,293,480 |
| | 167,619,628 | 130,473,297 |
| Less: Appropriations: | | |
| Transfer to General Reserves | - | - |
| Closing Balance | 167,619,628 | 130,473,297 |
| Total | 296,330,728 | 259,184,398 |

Note:3 LONG TERM BORROWINGS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|
| (a) Secured Loans | | |
| (i) Term loans | 377,598,273 | 375,401,841 |
| (Secured Loans from Banks are secured against movable and immovable fixed assets of the Co. and personal guarantee of promoters directors) | | |
| (ii) Foreign Buyer Credit from Bank | 3,437,574 | 9,699,442 |
| (Foreign Buyer Credit from Bank is secured against movable and immovable fixed assets of the Company and personal guarantee of promoters directors and payable after three years) | | |
| | 381,035,847 | 385,101,283 |
| (b) Unsecured | | |
| (i) Loans and advances from related parties | 54,014,090 | 54,976,590 |
| (ii) Others | 6,000,000 | 6,000,000 |
| | 60,014,090 | 60,976,590 |
| Total | 441,049,937 | 446,077,873 |

Note: 4 DEFERRED TAX BALANCES

(in Rs)

| Particulars | Deferred Tax Liability as at March 31, 2014 | Current year charge/(credit) | Deferred Tax Liability as at March 31, 2015 |
|---|---|------------------------------|---|
| (a) Deferred Tax Liabilities (Net) | | | |
| Depreciation and amortisation | 19,818,486 | 10,760,887 | 30,579,373 |
| Total | 19,818,486 | 10,760,887 | 30,579,373 |
| (b) Deferred Tax Assets (Net) | | | |
| Depreciation and amortisation | - | - | - |
| Employee benefits | 2,731,968 | 923,418 | 3,655,386 |
| Total | 2,731,968 | 923,418 | 3,655,386 |
| | 17,086,518 | 9,837,469 | 26,923,987 |

Notes forming part of the Consolidated Financial Statements

Note:5 LONG TERM PROVISIONS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------|----------------------|----------------------|
| Provision for employee benefits | 9,648,423 | 6,062,000 |
| Total | 9,648,423 | 6,062,000 |

Provision for employee benefits includes provision for gratuity and other retirement benefits

Note:6 SHORT TERM BORROWINGS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|
| Secured loans | | |
| (a) Loans repayable on demand from Bank | 211,587,777 | 192,118,721 |
| Total | 211,587,777 | 192,118,721 |

(Secured from banks are secured against Stock & Book Debts and personal guarantee of Directors)

Note:7 OTHER CURRENT LIABILITIES

| Other Current Liabilities | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| a Current Maturities of Long term Debt | 61,511,017 | 75,851,349 |
| b Other payables | 32,131,143 | 17,945,661 |
| Total | 93,642,160 | 93,797,010 |

Note:8 SHORT TERM PROVISIONS

| Short Term Provisions | As at March 31, 2015 | As at March 31, 2014 |
|-------------------------------------|----------------------|----------------------|
| (a) Provision for employee benefits | 17,755,325 | 13,166,257 |
| Total | 17,755,325 | 13,166,257 |

Note:10 NON CURRENT INVESTMENTS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| A Trade Investments | | |
| Total (A) | | |
| B Other Investments(Unquoted) | | |
| (a) Investment in Equity instruments in Subsidiary Company | - | |
| (b) Investment in Equity instruments in Associate Company | 64,209,990 | 63,209,990 |
| Share of loss of associate after tax | (6,230,856) | (6,792,181) |
| Grand Total (A + B) | 57,979,134 | 56,417,809 |

| B. Details of Other Investments | | | | | | | | | |
|---|---|---------------------|-----------------------|-------------------|--------------------------|-------------------|-------------------|---------------------------------|-----------------------|
| Name of the Body Corporate | Subsidiary / Associate / JV/ Controlled Entity / Others | Face Value of (INR) | No. of Shares / Units | Quoted / Unquoted | Partly Paid / Fully paid | Amount (Rs.) | | Whether stated at Cost Yes / No | No. of Shares / Units |
| Investment in Equity Instruments | | | 31/03/2015 | | | 31/03/2015 | 31/03/2014 | | 31/03/2014 |
| | (1) | (2) | (3) | (4) | (5) | (8) | (9) | (10) | (3) |
| Regency Nephrocure Pvt. Ltd. | Associate cum JV Company | 10 | 1421000 | Unquoted | Fully Paid | 14,210,000 | 14,210,000 | Yes | 1421000 |
| HCG Regency Oncology Healthcare Pvt. Ltd. | Associates | 10 | 4999999 | Unquoted | Fully Paid | 49,999,990 | 48,999,990 | Yes | 4899999 |
| Regency Life Care Private Limited | Wholly owned Subsidiary | 10 | 9999 | Unquoted | Fully Paid | | | Yes | 9999 |
| Total | | | | | | 64,209,990 | 63,209,990 | | |

**Notes-9
Fixed Assets**

| | | Gross Block | | | | Depreciation | | | | Written Down Value | | | |
|------------------------|-------|---------------------|----------------------------------|--------------------|---------------------|---------------------|--------------------------|------------------------------|-------------|----------------------|---------------------------|---------------------|---------------------|
| Particulars | Rate | As on 01.04.2014 | Additions During F.Y 14-15 | Deduction /Sale | As on 31.03.2015 | As on 01.04.2014 | On the Op bal. Period | Depreciation On Additions | Adjustment | During the period | Total As on 31.03.2015 | As on 31.03.2015 | As on 31.03.2014 |
| Lease Hold Land | | 46,553,622 | - | - | 46,553,622 | 111,237 | - | - | - | - | 111,237 | 46,442,385 | 46,442,385 |
| Leasehold Improvements | | - | 9,198,323 | - | 9,198,323 | - | - | 681,289 | - | 681,289 | 681,289 | 8,517,034 | - |
| Free Hold Land | | 56,144,057 | - | - | 56,144,057 | - | - | - | - | - | - | 56,144,057 | 56,144,057 |
| Building | 1.58 | 334,213,393 | 17,882,900 | - | 352,096,294 | 51,007,464 | 4,651,484 | 25,358 | - | 4,676,842 | 55,684,306 | 296,411,988 | 283,205,930 |
| Plant & Machinery | 7.31 | 596,007,370 | 41,902,161 | 246,961,708 | 390,947,823 | 384,033,196 | 25,374,726 | 2,277,682 | 246,961,708 | 27,652,408 | 164,723,896 | 226,223,927 | 211,974,174 |
| Furnitures & Fixtures | 9.50 | 25,477,095 | 2,708,117 | 1,627,022 | 26,558,190 | 8,304,682 | 2,809,224 | 164,781 | 1,627,022 | 2,974,005 | 9,651,665 | 16,906,525 | 17,172,413 |
| Office Equipments | 19.00 | 5,034,384 | 522,362 | 66,974 | 5,489,772 | 1,198,857 | 1,564,925 | 37,146 | 66,974 | 1,602,071 | 2,733,954 | 2,755,818 | 3,835,527 |
| Electrical Equipments | 9.50 | 25,001,118 | 4,101,671 | 327,419 | 28,775,369 | 5,099,956 | 4,763,331 | 226,333 | 327,419 | 4,989,664 | 9,762,201 | 19,013,168 | 19,901,161 |
| Computer | 31.67 | 8,270,172 | 3,740,588 | 5,268,331 | 6,742,429 | 7,334,285 | 524,145 | 720,299 | 5,268,331 | 1,244,444 | 3,310,398 | 3,432,031 | 935,887 |
| Vehicles | 11.85 | 16,120,675 | 13,099,950 | 8,318,981 | 20,901,644 | 5,823,292 | 1,303,342 | 1,207,316 | 3,548,596 | 2,510,658 | 4,785,354 | 16,116,290 | 10,297,383 |
| Generator | 6.33 | 9,542,051 | 723,600 | - | 10,265,651 | 1,594,485 | 479,862 | 41,987 | - | 521,849 | 2,116,334 | 8,149,317 | 7,947,566 |
| Total | | 1,122,363,937 | 93,879,671 | 262,570,435 | 953,673,173 | 464,507,454 | 41,471,039 | 5,382,191 | 257,800,050 | 46,853,230 | 253,560,633 | 700,112,540 | 657,856,483 |
| Previous Year | | 755,678,732 | 327,702,022 | - | 1,083,380,754 | 365,077,866 | 45,570,197 | 1,253,969 | - | 46,824,166 | 411,902,032 | 671,478,723 | - |

Notes forming part of the Consolidated Financial Statements**NOTE:11 LONG TERM LOANS AND ADVANCES (unsecured)**

| Particulars | As at March 31, 2015 | As at March 31, 2015 |
|--------------------------|----------------------|----------------------|
| Considered Good: | | |
| a Security Deposits | 19,294,071 | 11,623,960 |
| b Mat Credit Receivables | 19,134,701 | 22,024,647 |
| c Interest Accrued | 59,427 | 1,264,201 |
| d Capital Advance | 7,800,000 | 4,050,000 |
| Total | 46,288,198 | 38,962,808 |

NOTE: 12 OTHER NON CURRENT ASSETS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|------------------------|----------------------|----------------------|
| Pre-operative Expenses | 82,232 | 53,883 |
| Total | 82,232 | 53,883 |

NOTE:13 CURRENT INVESTMENTS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|------------------------------------|----------------------|----------------------|
| Investment in Mutual Fund-Unquoted | 12,828,541 | 2,791,889 |
| Total | 12,828,541 | 2,791,889 |

NOTE:14 INVENTORIES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| a Medicines (valued at cost) | 18,881,949 | 16,180,634 |
| b Stores and Spares (valued at cost) | 1,309,938 | 1,499,300 |
| c Surgical consumable/implants(valued at Cost) | 43,314,119 | 25,216,557 |
| d Other Consumables (Valued at cost) | - | - |
| Total | 63,506,006 | 42,896,491 |

Note 15 TRADE RECEIVABLES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| Secured, considered good Trade receivables outstanding for a period less than six months from the date they are due for payment | 225,485,295 | 195,713,786 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | 0 | 0 |
| Total | 225,485,295 | 195,713,786 |

Notes forming part of the Consolidated Financial Statements
Note:16 CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|------------------------|----------------------|----------------------|
| a Balances with banks* | | |
| Current Accounts | 57,897,567 | 50,783,633 |
| Deposit Account | 1,380,619 | 57,625,000 |
| b Cash on hand | 1,786,760 | 3,080,935 |
| Total | 61,064,946 | 111,489,567 |

Note:17 SHORT TERM LOANS AND ADVANCES (UNSECURED)

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------|----------------------|----------------------|
| Considered Good: | | |
| Loans and Advances to Employees | 626,314 | 400,014 |
| Income Tax Refund Due | 7,040,748 | 7,300,409 |
| Other Loans & Advances | 12,792,595 | 7,802,961 |
| Total | 20,459,657 | 15,503,384 |

Note:18 OTHER CURRENT ASSETS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|------------------|----------------------|----------------------|
| Prepaid Expenses | 3,445,727 | 2,369,740 |
| Total | 3,445,727 | 2,369,740 |

Notes forming part of the Consolidated Financial Statements

Note:19 REVENUE FROM OPERATIONS

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|--|---------------------------------------|---------------------------------------|
| Revenue from Healthcare Services | 756,236,277 | 654,639,483 |
| Revenue from Pharamcy & Surgical Sales | 264,103,218. | 241,325,616 |
| Nursing College | 10,533,739 | 9,740,430 |
| Total | 1,030,873,234 | 905,705,530 |

Note:20 OTHER INCOME

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|-------------------|---------------------------------------|---------------------------------------|
| Interest Receipts | 1,625,507 | 8,424,141 |
| Rent Receipts | 5,546,820 | 3,058,298 |
| Other Income | 7,038,691 | 18,127,859 |
| Total | 14,211,018 | 29,610,298 |

Note:21 CHANGES IN INVENTORIES OF STOCK IN TRADE

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|------------------------------|---------------------------------------|---------------------------------------|
| Opening Stock in trade | 31,574,396 | 25,518,747 |
| Less: Closing Stock in trade | 52,924,630 | 31,574,396 |
| Total | 21,350,234 | 6,055,649 |

Note:22 COST OF MATERIALS CONSUMED

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Indigenous Materials: | | |
| Surgical | 7,229,130 | 13,492,240 |
| Stores Consumable | 25,089,042 | 32,463,209 |
| Total Consumption of Materials | 32,318,172 | 45,955,449 |

(Consumption relates to items used for healthcare services only)

Note:23 PURCHASE OF STOCK IN TRADE

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|----------------------|---------------------------------------|---------------------------------------|
| Indigenous Materials | | |
| Pharmacy | 122,997,362 | 100,828,351 |
| Surgical | 74,464,816 | 57,615,507 |
| Total | 197,462,178 | 158,443,858 |

Notes forming part of the Consolidated Financial Statements
Note: 24 EMPLOYEE BENEFITS EXPENSE

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Salaries and incentives to employees | 190,701,060 | 151,406,545 |
| Contribution to Provident Fund / ESI | 2,479,026 | 1,853,0615 |
| Gratuity | 3,586,423 | 7,310,005 |
| Staff Welfare Expenses | 6,876,968 | 89,999,605 |
| Bonus and Exgratia | 1,617,986 | 2,452,375 |
| TOTAL | 205,261,463 | 165,442,9411 |

Note: 25 FINANCE COSTS

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|------------------------|---------------------------------------|---------------------------------------|
| Interest Expense | 84,726,193 | 70,413,117 |
| Bank and other Charges | 2,595,660 | 2,545,238 |
| SUB TOTAL | 87,321,853 | 72,958,355 |

Note:26 OTHER EXPENSES

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|--|---------------------------------------|---------------------------------------|
| Other Operating Expenses | 284,946,745 | 24,428,947 |
| Power & Fuel | 42,169,316 | 30,862,331 |
| House Keeping Expenses | 20,208,635 | 16,289,865 |
| Rates & Taxes excuding taxes on income | 15,207,927 | 14,701,206 |
| Rent | 15,195,384 | 11,699,181 |
| Repair to Building | 2,318,421 | 2,829,092 |
| Repair to Machinery | 12,198,527 | 11,592,033 |
| Repair to Vehicles | 1,801,794 | 1,785,514 |
| Office Maintenance & Others | 7,673,391 | 10,462,320 |
| Insurance | 1,491,403 | 1,737,336 |
| Printing & Stationery | 5,308,335 | 4,274,264 |
| Director Sitting Fees | 172,000 | 115,000 |
| Advertisement, Publicity & Marketing | 3,317,279 | 1,871,227 |
| Travelling & Conveyance | 4,745,013 | 4,781,740 |
| Subscriptions | 273,804 | 147,351 |
| Security Charges | 5,343,998 | 4,873,479 |
| Legal & Professional Fees | 4,506,186 | 6,049,251 |
| Postage Telegram & Telephone Expenses | 2,203,080 | 1,974,515 |
| Donations | 1,175,000 | 255,000 |
| Auditors Remuneration | 252,810 | 168,540 |
| Miscellaneous Expenses | 3,965,108 | 2,916,453 |
| Loss on sale of Assets(Net) | 1,078,385 | - |
| Total | 435,552,541 | 373,675,172 |

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note: 27: Retirement Benefit Plans:****i. Defined contribution plans:**

The Company makes Provident Fund contributions to defined contribution retirement benefit plans for qualifying employees. Under the Scheme company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.35,86,423/- (31st March, 2014 - Rs.18,53,061/-) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

ii. Defined benefit plans:

The present value of the defined benefit obligation and related current service cost were measured using the projected Unit Credit Method, with actuarial valuation being carried out as on 31st March, 2015.

The disclosure in respect of defined benefit gratuity plan is based on report given by actuary as on 31st March, 2015.

| Particulars | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|--|-----------------------------------|-----------------------------------|
| Change in present value of obligation: | | |
| Present value of obligation at the beginning of the year | 60,62,000.00 | 53,31,000.00 |
| Interest cost | 5,60,735.00 | 4,37,142.00 |
| Current service cost | 11,71,725.00 | 10,99,444.00 |
| Actuarial Losses/ (Gains) | 18,53,963.00 | (8,05,586..00) |
| Benefits paid | 0.00 | 0.00 |
| Present value of Obligation at the close of the year | 96,48,423.00 | 60,62,000.00 |
| Amounts recognised in the statement of Profit and Loss: | | |
| Current Service Cost | 11,71,725.00 | 10,99,444.00 |
| Interest Cost | 5,60,735.00 | 4,37,142.00 |
| Expected Return on plan assets | 0.00 | 0.00 |
| Actuarial Losses | 18,53,963.00 | (8,05,586..00) |
| Expenses recognised | 35,90,423.00 | 7,31,000.00 |
| Actuarial Assumptions at the Balance Sheet date: | | |
| Discount Rate | 7.80% | 9.25% |
| Salary Escalation | 10% | 10% |
| Mortality Rate | LIC (2006-08) Ultimate | LIC (2006-08) Ultimate |

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Note 28: Segment Reporting

| | 2014-15 | | | 2013-14 | | |
|--|---------------|-----------------|---------------|---------------|-----------------|---------------|
| | Hospital | Nursing College | Total | Hospital | Nursing College | Total |
| (A) INFORMATION IN RESPECT OF PRIMARY SEGMENT | | | | | | |
| (I) Segment Revenue | | | | | | |
| Operating Income | 1,020,339,495 | 10,533,739 | 1,030,873,234 | 895,965,100 | 9,740,430 | 905,705,530 |
| Total Segment Revenue | 1,020,339,495 | 10,533,739 | 1,030,873,234 | 895,965,100 | 9,740,430 | 905,705,530 |
| (II) Segment Results | | | | | | |
| Profit (+) / Loss (-) Before Tax and Interest | 141,942,580 | 5,418,815 | 147,361,395 | 134,168,293 | 2,656,201 | 136,824,494 |
| Less: | | | | | | |
| Unallocable Expenditure | | | | | | |
| Net of Unallocable Income | | | | | | |
| Interest | | | 85,696,346 | | | 64,534,214 |
| Tax Expense | | | 25,080,044 | | | 26,319,337 |
| Profit After Tax | | | 37,146,331 | | | 39,293,480 |
| (III) Other Information: | | | | | | |
| (a) Segment Assets | 1,172,160,905 | 28,904,670 | 1,201,065,575 | 1,121,921,437 | 26,970,198 | 1,148,891,635 |
| Unallocated Assets | | | | | | |
| Total Assets | 1,172,160,905 | 28,904,670 | 1,201,065,575 | 1,121,921,437 | 26,970,198 | 1,148,891,635 |
| (b) Segment Liabilities | 1,170,774,575 | 3,367,013 | 1,174,141,588 | 1,129,212,956 | 2,592,161 | 1,131,805,117 |
| Unallocated Liabilities | | | | | | |
| | 1,170,774,575 | 3,367,013 | 1,174,141,588 | 1,129,212,956 | 2,592,161 | 1,131,805,117 |
| (c) Capital Expenditure | 78,416,959 | 440,217 | 78,857,176 | 62,745,588 | 2,301,400 | 65,046,988 |
| Depreciation | 46,413,608 | 439,622 | 46,853,230 | 52,333,827 | 271,595 | 52,605,422 |
| Unallocated Depreciation / Amortisation | - | - | - | - | - | - |

Other disclosures:

- The Company caters mostly to local markets and as such there is no reportable geographical segments.
- Segments have been identified in line with the Accounting Standard - 17 "Segment Reporting" taking into account the organization structure as well as differing risks and returns.
- The segment revenue, results, assets and liabilities include respective amounts identifiable to each of the segment and amounts allocated on reasonable basis.

Note 29: Earning Per Share (EPS):

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

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|--|--|
| Net Profit/ (Loss) for the Year | 37,146,331 | 39,293,480 |
| Weighted average number of Equity Shares used as denominator for calculating EPS | 9358668 | 9358668 |
| Basic and Diluted Earning per share (in Rs.) | 4 | 5 |
| Face Value per Equity share (In Rs.) | 10 | 10 |

Note 30: Contingent Liability:

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| Disputed demand of Customs Department (under appeal). The Company has filed an appeal to High Court of Judicature at Allahabad. | 3,845,000 | 3,845,000 |
| Bank Guarantee furnished to Director, CGHS , ECHS for treatment of their employees. | 1,500,000 | 1,500,000 |
| Corporate Guarantee given to banks in respect of financial assistance availed by Subsidiary Company | 453,000,000 | 453,000,000 |
| Foreign Letter of Credit for import of Medical Equipment's | --- | --- |

Note 31: Capital Commitments:

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| Estimated value of contracts in capital account remaining to be executed and not provided for [net of capital advance] in respect of Joint Venture/Subsidiary | 3,66,96,261 | 3,611,606 |

Note 32: Related Party Disclosures:

(a) Related Parties with whom transactions have taken place during the year:

| (i) | Key Managerial Personnel (KMP) and their relatives |
|-------|--|
| (a) | Dr. Atul Kapoor, Key Managerial Personnel (Managing Director) |
| (b) | Dr. Rashmi Kapoor, Key Managerial Personnel (Whole-Time Director) |
| (c) | Mr. Anant Ram Kapoor, Relative of Key Managerial Personnel |
| (d) | Mr. Abhishek Kapoor, Relative of Key Managerial Personnel |
| (e) | Mr. Arun Kapoor, Relative of Key Managerial Personnel |
| (f) | Mrs. Jhanvi Kapoor |
| (iii) | Enterprises owned or significantly influenced by Key Managerial Personnel and their relatives: |
| (a) | HCG Regency Oncology Healthcare Private Limited, Associate Company |
| (b) | Regency Nephrocare Private Limited, Associate Company |
| (c) | Regency Lifecare Private Limited, Wholly Owned Subsidiary Company |

(b) Transactions with related parties:-

| Name of Person | Description of transactions during the year | 31st March, 2015 | 31st March, 2014 (Rs.) |
|---|---|------------------|------------------------|
| Mr. Anant Ram Kapoor | Remuneration | 1,80,000 | 1,80,000 |
| | Land Rent | 11,07,516 | 1,015,093 |
| Dr. Atul Kapoor | Remuneration | 45,95,726 | 36,99,800 |
| | Lease Rent | 9,00,000 | 9,00,000 |
| Dr. Rashmi Kapoor | Remuneration | 45,30,155 | 34,13,632 |
| | Lease Rent | 39,00,000 | 39,00,000 |
| | Doctor fees | 45,49,119 | 0 |
| Shri Arun Kapoor | Remuneration | 12,00,000 | 9,60,000 |
| Mr. Abhishek Kapoor | Remuneration | 18,00,000 | 18,00,000 |
| Mrs. Jhanvi Kapoor | Remuneration | 2,40,000 | 60,000 |
| HCG Regency Oncology Healthcare Private Limited | Investment in Equity Shares (including premium) | 10,00,0000 | 4,80,00,000 |
| Regency Nephrocare Private Limited | Investment in Equity Shares | 1,42,10,000 | 1,42,10,000 |
| | Payment of medical services fee | 3,29,17,046 | 37,40,704 |
| | Receiving of Services | | |
| | a. Non Competing Fee | 0 | 1,32,10,015 |
| | b. Lease rent from medical equipment | 20,60,028 | 11,04,819 |
| | c. Lease rent from building | 31,46,952 | 15,35,100 |

Note 33: Remuneration to Auditors (excluding service tax):

| Particulars | 31st March, 2015 (Rs.) | 31st March, 2014 (Rs.) |
|---|------------------------|------------------------|
| a) Audit Fees | 1,90,000 | 1,55,00,000 |
| b) Tax Audit Fees | 50,000 | 25,000 |
| c) Certification & Other Professional Matters | 75,000 | 50,000 |

Note 34:

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office etc.). These leasing arrangements which are not non- cancellable range between 11 months and 30 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable during the year are charged as "Rent" under Note 26.

With regard to certain other non cancellable operating leases for premises, the future minimum rentals are as follows:

| | As at 31st March, 2015 (in Rs.) | As at 31st March, 2014 (in Rs.) |
|--|---------------------------------|---------------------------------|
| Later than one year and not later than five year | 1,61,41,003 | 3,10,16,14,300 |
| Later than five year | 27,51,84,308 | 3,09,00,000 |

Note 35 : Details of dues due to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Note 36: Sundry Debtors, Loans and Advances:

- i. Sundry Debtors represent the debt outstanding on treatment of employees of corporate clients with whom company is empanelled.
- ii. In the opinion the Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated, if realised in ordinary course of business and provision for depreciation and other known liabilities is adequate.

Note: 37: STATEMENT OF PROFIT AND LOSS:

- (a) Value of Imports calculated on CIF basis:

| Particulars | 31st March, 2015 (Rs.) | 31st March, 2014 (Rs.) |
|---------------------------|---------------------------|---------------------------|
| a) Raw Materials | - | - |
| b) Capital Goods | 39,09,947 | - |
| c) Stores and spare parts | - | - |

- (b) Expenditure in Foreign Currency:

| Particulars | 31st March, 2015 (Rs.) | 31st March, 2014 (Rs.) |
|---------------------------------------|---------------------------|---------------------------|
| Interest, Commitment and Bank Charges | 3,66,283 | 13,09,318 |

Note 38: DERIVATIVE INSTRUMENTS

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:-

| Particulars | 31st March, 2015 | | 31st March, 2014 | |
|--|---------------------|--------------|---------------------|--------------------|
| | Foreign Currency | Amount Rs | Foreign Currency | Amount Rs |
| Amount Payable in Foreign Currency on account of the following | | | | |
| Buyer's Credit | \$28700 | 17,88,423 | \$ 837,630 | 5,02,05,532 |
| | \$26465 | 16,49,151 | Euro 27,000 | 22,29,044 |
| Total | | | 34,37,574 | 5,24,34,576 |

Note 39 :

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

Note 40:

These financial statements have been prepared in the format prescribed by the Schedule III to the Companies Act, 2013. Previous period figures have been recasted /restated to conform to the classification of the current period.

INFORMATION AS REQUIRED IN SCHEDULE III OF COMPANIES ACT, 2013 IN RESPECT OF CONSOLIDATED FINANCIAL STATEMENT

| Name of entity | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | |
|---|---|-----------------------|-------------------------------------|-----------------|
| | As % consolidated assets | Amount | As % of consolidated profit or loss | Amount |
| Parent Subsidiaries (Indian) | | | | |
| 1. Regency Lifecare Private Limited | 0.03 | 1,00,000/- | 0.00 | 0 |
| Minority Interest in all subsidiaries | 0.00 | 10 | 0.00 | 0 |
| Associates (Investment as per the equity method) Indian | | | | |
| 1. Regency Nephrocare Private Limited | 4.22% | 1,64,69,718 | 1.58 | 5,85,560 |
| 2. HCG Regency Oncology Healthcare Private Limited | 27.76% | 10,82,27,557 | (0.07) | (24,235) |
| TOTAL | 31.98% | 12,46,97,275/- | 1.51 | 5,61,325 |

As per our report of even date

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants
Firm Registration No.: 000987C

R.N.Dhingra
Partner
Membership No.15385

30th May, 2015
New Delhi

For and on behalf of the Board

Ratan Lal Srivastava
Chairman

Dr. Rashmi Kapoor
Whole Time Director

Subhash Chand Ahuja
Director

Deepak Kumar Gupta
Chief Financial Officer

Dr. Atul Kapoor
Managing Director

Anil Kumar Khemka
Director

Rajiv Kumar Bakshi
Director

Ankit Mishra
Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

REGENCY HOSPITAL LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of REGENCY HOSPITAL LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Profit and Loss Statement, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Our opinion is not qualified / modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 (The order) issued by the Central Government of India in terms of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 of the order.
2. As required by section 143(3) of the Act, 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 purpose of our audit;

- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Statement of the Profit & Loss Account and Cash Flow statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dt.13th September,2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act,2013.
- (e) In our opinion there are no financial transactions or matters carried by the company which have any adverse effect on the functioning of the Company.
- (f) 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 31st March, 2015 from being appointed as a director in terms of section 164 subsection (2) of the Act.
- (g) In our opinion, adequate internal financial controls systems are in place and such controls are operating effectively in the company.
- (h) On the basis of written representation received from the Directors and taken on record by the Board of Directors We report that :
 - i. The company has disclosed the impact of pending litigation on its financial position in its financial
 - ii. The company has made provision of all material foreseeable losses as required under any law or accounting standards under long term contracts entered by the company including derivative contracts .
 - iii. There is no amount outstanding which required to be transferred ,to Investor Education and Protection fund by the Company.

For JAIN DHINGRA & ASSOCIATES

Chartered Accountants

Firm Registration No.: 000987C

R.N.Dhingra

Partner

Membership No.15385

New Delhi, 30th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date)

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As informed to us, the fixed assets have been physically verified by the Management during the year. As informed to us, no discrepancies noticed during such physical verification.
- ii. In respect of the Company's Inventories:
 - a. Inventories of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments have been physically verified during the period by the management. In our opinion the frequency of verification is reasonable.
 - b. In our opinion and according to explanations given to us, the procedures of physical verification of inventories of medicines, stores, spares, consumables, chemicals, lab materials and surgical instruments followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. In our opinion and according to information and explanations given to us, and on the basis of our examination, the company is maintaining proper records of inventories. Further in our opinion and information and explanations given to us the discrepancies noticed on verification between the physical stock and the book records were not material and same have been properly dealt within the books of accounts.
- iii. a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of sub-clauses (a) & (b) of clause 3(iii) of CARO are not applicable.
- iv. In our opinion and according to the information and explanations given to us there is adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system of the Company.
- v. The Company has not accepted any deposits from the public. Hence, the provisions of Section 73 to Sec 76 of the Companies Act 2013, and the Rules framed thereunder do not apply to this Company.
- vi. To the base of our knowledge and according to the information given to us the Company has maintained the Cost records as prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.
- vii. a) According to the information and explanations given to us, no undisputed amounts payable by the Company in respect of Income Tax, Sales Tax, Customs Duty, Excise Duty and Service tax were in arrears as at 31st March, 2015 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, customs duty, excise duty, service tax and cess which have not been deposited 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 |

- c) According to the information and explanations given to us, company do not have any outstanding amount which was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- viii. There are no accumulated losses of the Company as on March 31, 2015. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix. According to the records of the Company examined by us and information and explanations give to us, the Company has not defaulted in repayment of dues to financial Institutions or Banks.

- x. In our opinion and according to the information and explanation given to us, the terms & conditions of the guarantee given by the Company for loan taken by associate Company from Bank during the year are not prejudicial to the interest of the Company.
- xi. According to the information and explanations given to us, the term loans have been applied for the purposes for which they have obtained.
- xii. 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 financial year.

For JAIN DHINGRA & ASSOCIATES

Chartered Accountants
Firm Registration No.:000987C

R.N.Dhingra
Partner
Membership No.15385

New Delhi, 30th May, 2015

Stand Alone Balance Sheet as at 31st March, 2015

| | Particulars | Note No. | As at March 31, 2015 | As at March 31, 2014 |
|---|------------------------------------|----------|----------------------|----------------------|
| I. | EQUITY AND LIABILITIES | | | |
| | Shareholders' funds | | | |
| | (a) Share capital | 1(c) | 93,586,680 | 93,586,680 |
| | (b) Reserves and surplus | 2 | 302,561,584 | 265,976,579 |
| | | | 396,148,264 | 359,563,259 |
| | Non-current liabilities | | | |
| | (a) Long-term borrowings | 3 | 440,999,937 | 446,077,873 |
| | (b) Deferred tax liabilities (Net) | 4(a) | 30,579,373 | 19,818,486 |
| | (c) Long-term provisions | 5 | 9,648,423 | 6,062,000 |
| | Current liabilities | | | |
| | (a) Short-term borrowings | 6 | 211,587,777 | 192,118,721 |
| | (b) Trade payables | | 10,540,548 | 27,812,169 |
| | (c) Other current liabilities | 7 | 93,658,452 | 93,777,741 |
| | (d) Short-term provisions | 8 | 17,755,325 | 13,166,257 |
| | TOTAL | | 1,210,918,099 | 1,158,396,505 |
| II. | ASSETS | | | |
| | Non-current assets | | | |
| | (a) Fixed assets | | | |
| | (i) Tangible assets | 9 | 700,112,540 | 657,856,483 |
| | (ii) Capital work-in-progress | | 1,713,300 | 16,735,795 |
| | (b) Non-current investments | 10 | 72,409,980 | 71,409,980 |
| | (c) Deferred tax assets (net) | 4(b) | 3,655,386 | 2,731,968 |
| | (d) Long-term loans and advances | 11 | 42,238,198 | 34,912,808 |
| | Current assets | | | |
| | (a) Current investments | 12 | 12,828,541 | 2,791,889 |
| | (b) Inventories | 13 | 63,506,006 | 42,896,491 |
| | (c) Trade receivables | 14 | 225,485,295 | 195,713,786 |
| | (d) Cash and cash equivalents | 15 | 60,969,530 | 111,380,241 |
| | (e) Short-term loans and advances | 16 | 24,553,597 | 19,597,324 |
| | (f) Other current assets | 17 | 3,445,727 | 2,369,740 |
| | TOTAL | | 1,210,918,099 | 1,158,396,505 |
| III. Notes Forming Part of the Financial Statements 1-39 | | | | |

As per our report attached

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

Registration No.: 000987C

R.N.Dhingra

Partner

Membership No.15385

For and on behalf of the Board

Ratan Lal Srivastava
ChairmanDr. Atul Kapoor
Managing DirectorDr. Rashmi Kapoor
Whole-Time DirectorAnil Kumar khemka
DirectorSubhash Chand Ahuja
DirectorRajiv Kumar Bakshi
DirectorDeepak Kumar Gupta
Chief Financial OfficerAnkit Mishra
Company Secretary

DATE : 30.05.2015

PLACE : New Delhi

STAND ALONE STATEMENT OF PROFIT AND LOSS

Audited Profit and Loss statement for the period ended 31st March, 2015

| | Particulars | Note No | Figures for the year ended March 31, 2015 | Figures for the year ended March 31, 2014 |
|---|--|---------|---|---|
| I. | Revenue from operations | 18 | 1,030,873,234 | 905,705,530 |
| II. | Other Income | 19 | 14,211,018 | 29,610,298 |
| III | Changes in inventories of Stock-in-Trade | 20 | 21,350,234 | 6,055,649 |
| | Total Revenue (I +II+III) | | 1,066,434,486 | 941,371,477 |
| IV. | Expenses: | | | |
| | Cost of materials consumed | 21 | 32,318,172 | 45,955,449 |
| | Purchase of Stock-in-Trade | 22 | 197,462,178 | 158,443,858 |
| | Employee benefit expense | 23 | 205,261,463 | 165,442,941 |
| | Financial costs | 24 | 87,321,853 | 72,958,355 |
| | Depreciation and amortization expense | 9 | 46,853,230 | 52,605,422 |
| | Other expenses | 25 | 435,552,541 | 373,675,172 |
| | V. Total Expenses | | 1,004,769,437 | 869,081,196 |
| V. | Profit Before Tax | | 61,665,050 | 72,290,280 |
| VI | Tax expense: | | | |
| | (a) Current tax | | 15,227,735 | 19,956,891 |
| | (d) Deferred Tax | | 9,837,469 | 5,986,948 |
| | Income Tax related earlier year | | 14,840 | 375,498 |
| VII | PROFIT FOR THE PERIOD | | 36,585,006 | 45,970,943 |
| VIII | Earning per equity share: | | | |
| | (1) Basic | 28 | 3.91 | 4.91 |
| | (2) Diluted | | 3.91 | 4.91 |
| IX Notes Forming Part of the Financial Statements 1-39 | | | | |

As per our report attached

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

Registration No.: 000987C

R.N.Dhingra

Partner

Membership No.15385

For and on behalf of the Board

Ratan Lal Srivastava
Chairman

Dr. Atul Kapoor
Managing Director

Dr. Rashmi Kapoor
Whole-Time Director

Anil Kumar Khemka
Director

Subhash Chand Ahuja
Director

Rajiv Kumar Bakshi
Director

Deepak Kumar Gupta
Chief Financial Officer

Ankit Mishra
Company Secretary

DATE : 30.05.2015

PLACE : New Delhi

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(In Rs.)

(In Rs.)

| | Particulars | 2015 | 2014 |
|------------|--|---------------------|---------------------|
| I | Net Profit Before Tax as per Statement of Profit & Loss | 61,665,050 | 72,290,280 |
| | Add/(Deduct) : | | |
| | Depreciation | 46,853,230 | 52,605,422 |
| | Interest & Financial Charges | 87,321,853 | 72,958,355 |
| | Loss on Sale of Assets (Net) | 1,078,385 | - |
| | Profit on Sale of Investments | (638,910) | - |
| | Operating Profit before Working Capital Changes | 196,279,607 | 197,854,057 |
| | Add/(Deduct): | | |
| | Inventories | (20,609,515) | (7,837,561) |
| | Trade Receivables | (29,771,509) | (56,548,381) |
| | Long Term and Short Term Loans & Advances and other assets | (13,357,651) | 7,874,155 |
| | Trade Payables other Liabilities and provisions | (9,265,419) | 29,527,444 |
| | Cash Inflow from Operations | 123,275,513 | 170,869,714 |
| | Interest Paid | 87,321,853 | 72,958,355 |
| | Taxation | 15,242,575 | 20,332,389 |
| | Net Cash inflow from Operating Activities | 20,711,085 | 77,578,971 |
| II | CASH FLOW FROM INVESTING ACTIVITIES: | | |
| | Inflow: | | |
| | Sale of Fixed Assets | 3,692,000 | |
| | Sale of Investments | 12,573,192 | |
| | Outflow: | | |
| | Purchase of Fixed Assets | 78,857,176 | 44,267,499 |
| | Purchase of Investments | 22,970,934 | 61,653,976 |
| | | 85,562,918 | 105,921,475 |
| | Net Cash used in Investing Activities | 85,562,918 | 105,921,475 |
| | | (64,851,832) | (28,342,504) |
| III | CASH FLOW FROM FINANCING ACTIVITIES: | | |
| | Proceeds from term Loans | (4,065,435) | 130,132,028 |
| | Proceeds from Other Borrowings | 18,506,556 | (15,355,126) |
| | Transfer on account of Merger | | |
| | Net Cash from Financing Activities | 14,441,121 | 114,776,903 |
| | Net Increase /(decrease) in Cash & Cash Equivalent | (50,410,711) | 86,434,398 |
| | Cash & Cash Equivalent as at 01.04.2014 | 111,380,241 | 24,945,843 |
| | Cash or Cash equivalent as at 31.03.2015 | 60,969,530 | 111,380,241 |
| | Net Increase /(decrease) in Cash & Cash Equivalent | (50,410,711) | 86,434,398 |
| IV | Notes Forming Part of the Financial Statements 1-39 | | |

As per our report attached

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

Registration No.: 000987C

R.N.Dhingra

Partner

Membership No.15385

For and on behalf of the Board

Ratan Lal Srivastava
ChairmanDr. Atul Kapoor
Managing DirectorDr. Rashmi Kapoor
Whole-Time DirectorAnil Kumar khemka
DirectorSubhash Chand Ahuja
DirectorRajiv Kumar Bakshi
DirectorDeepak Kumar Gupta
Chief Financial OfficerAnkit Mishra
Company Secretary

DATE : 30.05.2015

PLACE : New Delhi

REGENCY HOSPITAL LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
1A. Overview:

Regency Hospital Limited ("the Company") is a Public Limited Company, established in the year 1987 providing a wide range of super specialty services in the field of Medicine. The Company is listed at Bombay Stock Exchange (BSE). The Company has its own nursing college for educating the nurses for serving and providing medical services to the Patients. The Company has one subsidiary Company Regency Lifecare (P) Limited, and two associate Companies viz HCG Regency Oncology Healthcare Pvt. Ltd. and Regency Nephrocare Pvt. Ltd.

1B. SIGNIFICANT ACCOUNTING POLICIES:
a) Basis of accounting and preparation of Financial Statements :

The financial statements have been prepared on mercantile basis of accounting in accordance with the historical cost convention and in compliance with mandatory accounting standards as notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of Companies Act, 2013.

b) Use of Estimates:

The preparation of Financial Statement requires certain estimates and assumptions to be made that effect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

c) Inventories:

- i) The inventories of all medicines, medicare items traded and dealt with by the Company are valued at cost. Cost of these inventories comprises of all cost of purchase and other costs incurred in bringing the inventories to their present location after adjusting for VAT wherever applicable applying the FIFO Method.
- ii) Stocks of Provisions, stores (including lab materials and other consumables), stationeries and housekeeping items are stated at cost. The net realizable value is not applicable in absence of any further modification /alteration before being consumed in house only. Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to present location after adjusting for VAT wherever applicable applying the FIFO Method.
- iii) Surgical instruments, linen, crockery and cutlery are valued at cost. The net realizable value is not applicable in absence of any further modification /alteration before being consumed in house only.

Cost of these inventories comprises of all costs of purchase and other costs incurred in bringing the inventories to present location after adjusting for VAT wherever applicable applying the FIFO Method.

d) Investments:

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other are classified as Long term investments. Long term investments including trade investments are stated at cost, after providing for any diminution in value, if such diminution is other than temporary in nature. Investments comprise of investment in subsidiary company in which the Company has strategic business interest.

e) Cash and Cash Equivalents:

In the cash flow statement, Cash and Cash Equivalents include Cash in Hand, term deposit with Bank and short term highly liquid investments with original maturities of three months or less.

f) Cash Flow Statement:

Cash flows are reported using the Indirect Method whereby Profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating investing and financing activities of the company are segregated.

g) 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.

h) Fixed Assets, Depreciation & Amortization:

- i) Fixed assets are stated at cost including expenses incurred up to the date of their installation / commissioning as reduced by accumulated depreciation / impairment provided in the accounts. Capital work-in-progress is stated at cost.
- ii) Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular are capitalized and depreciated over the residual life of the respective assets.
- iii) Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act, 2013.
- iv) Leasehold improvements are amortized over the

lease period.

i) Impairment of Assets:

The carrying amount of the asset is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the asset's net selling price and value in use, which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there is change in the estimates used to determine the recoverable amount.

j) Foreign Currencies in Transactions and translations:

Foreign currency transactions are recorded on the basis of exchange rate prevailing at the date of the transactions. Any gain or loss on settlement of monetary items denominated in foreign currencies transactions during the year or at the time of translation at the year end rates is recognized in the statement of profit & loss.

Exchange difference arising on long term foreign currency monetary items has been accounted in accordance with option granted vide notification no. GSR 225(E) dated 31.03.2009 issued by the Ministry of Corporate Affairs wherein exchange difference arising on restatement of long term foreign currency monetary items (other than for acquisition of depreciable capital assets) have been recognized over the shorter of the maturity period of monetary items or 31st March, 2011. The unrecognized amount is reflected as foreign currency translation reserve as part of reserve and surplus.

k) Revenue Recognition:

- i) Income from Healthcare Services is recognised on completed service contract method. The hospital collections of the Company are net of discounts. Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on 31st March, 2015.
- ii) Pharmacy Sales are recognised when the risk and reward of ownership is passed to the customer and are stated net of returns, discounts and inclusive of VAT wherever applicable.
- iii) Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.
- iv) Income from Educational services is recognized on the basis of fee due on each semester from students.

l) Borrowing Costs:

Borrowing cost that is attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that

necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

m) Employee Benefits:

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which the employees render service) are measured at cost.

Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which employees render service), and post employment benefits (benefits which are payable after completion of employment), are measured on a discounted basis by the Projected Unit Credit Method, on the basis of annual third party actuarial valuations.

Defined Contribution Plan

The Company makes contribution towards Provident Fund and Employees State Insurance Fund as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund Plan is operated by the Regional Provident Fund Commissioner and Employees State Insurance Plan is operated by Regional Director Employees State Insurance Corporation Under both the schemes, the Company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits.

Defined Benefit Plans

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

Gratuity

The Company makes provision of gratuity on the basis of annual third party actuarial valuations at the end of the accounting period.

Leave Encashment Benefits

The Company has a policy not to accumulate leave encashment benefits of the employees. The Company pays leave encashment benefits to employees at end of each accounting period.

n) Segment Reporting :

(i) Identification of Segments

The Company has complied with Accounting Standard 17 - 'Segment Reporting' with Business as the primary segment. The business segments are primarily healthcare and nursing services. The Company operates in a single geographical segment, which is India, and the products sold in the

pharmacies, are regulated under the Drug Control Act, which applies uniformly all over the Country. The risk and returns of the enterprise are very similar in different geographical areas within the Country and hence there is no reportable secondary segment as defined in Accounting Standard 17.

(ii) Segment Policies

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies for Segment Reporting:

- a. Revenue and expenses directly attributable to segments are reported under each segment. Expenses which are not directly identifiable to specific segment have been allocated on the basis of associated revenues of the segment and manpower efforts. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under 'unallocable expenses'.
- b. Assets and liabilities directly attributable or allocable to segments are disclosed under each reportable segment. All other assets liabilities are disclosed as unallocable.

The Company has disclosed this Segment Reporting in Consolidated Financial Statements as per para (4) of Accounting Standard - 17- 'Segment Reporting'.

o) Accounting for Taxes on Income

Provision for taxation comprises of current tax and deferred tax. The deferred tax charge or credit is recognized, using subsequently enacted tax rates for timing differences between book and tax profits.

Deferred tax assets arising on account of carry forward losses and unabsorbed depreciation are recognized only when there is virtual certainty of realization of such assets. Other deferred tax assets are recognized to the extent there is reasonable certainty of realization in future.

Tax Credit for Minimum Alternate Tax (MAT) is recognized when there is convincing evidence of its realisability against future normal tax liability.

p) Earning Per Share:

In determining the earnings per share, the Company considers the net profit after tax before extraordinary item and after extraordinary items and includes post - tax effect of any extraordinary items. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity shares are added to the above weighted average number of shares.

q) Leases:

Operating Leases: Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating leases are recognized in the Statement of Profit and Loss on a straight line basis in accordance with the respective lease agreements.

Finance leases: The lower of the fair value of the lease assets at the inception of the lease and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

r) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for (1) possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.

Notes forming part of the Financial Statements

Note: 1(c) SHARE CAPITAL

| PARTICULARS | As at March 31, 2015 (in Rs) | As at March 31, 2014 (in Rs) |
|---|-------------------------------------|-------------------------------------|
| Authorised 11400000(2013-14:11400000) Equity Shares of Rs10/-Each | 114,000,000 | 114,000,000 |
| Issued Subscribed & Fully Paid up 9358668(2013-14:9358668) Equity Shares of Rs10/-Each Fully paid up | 93,586,680 | 93,586,680 |
| TOTAL | 93,586,680 | 93,586,680 |

Reconciliation of Number of Shares

| Particulars | As at March 31, 2015 | | As at March 31, 2014 | |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | Number | Amount (Rs.) | Number | Amount (Rs.) |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 9358668 | 93,586,680 | 9358668 | 93,586,680 |
| Shares Issued during the year | 0 | - | 0 | - |
| Shares bought back during the year | 0 | - | 0 | - |
| Shares outstanding at the end of the year | 9358668 | 93,586,680 | 9358668 | 93,586,680 |
| Shares held by the holding Company, its subsidiaries and associates | | | | |
| | As at March 31, 2015 | | As at March 31, 2014 | |
| | NIL | | NIL | |

Shareholders holding more than 5% of total paid up capital

| Name of Shareholder | As at March 31, 2015 | | As at March 31, 2014 | |
|---------------------|------------------------------|--------------|------------------------------|--------------|
| | No. of Equity Shares held | % of Holding | No. of Equity Shares held | % of Holding |
| Dr Atul Kapoor | 1598863 | 17.08 | 1598863 | 17.08 |
| Atul Kapoor(HUF) | 1182523 | 12.64 | 1182523 | 12.64 |
| Dr Rashmi Kapoor | 2057953 | 21.99 | 2057953 | 21.99 |
| Asha Kapoor | 656666 | 7.02 | 656666 | 7.02 |
| Soni Kapoor | 649210 | 6.94 | 649210 | 6.94 |

The Company has issued only one class of the shares referred to as equity shares having a par value of Rs.10 per share .Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company , after distribution of all the preferential amount, in proportion of the number of equity shares held by each shareholder.

Notes forming part of the Financial Statements
Note 2 Reserve and Surplus

(in Rs)

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| a Capital Reserves | - | - |
| b Securities Premium Account | - | - |
| Opening Balance | 9,971,000 | 9,971,000 |
| Add: Transferred from statement of Profit & Loss | | |
| Closing Balance | 9,971,000 | 9,971,000 |
| c General Reserve | | |
| Opening Balance | 118,740,101 | 118,740,101 |
| Add: Transferred from statement of Profit & Loss | | |
| Add :- Transferred from capital reserve | - | |
| Closing Balance | 118,740,101 | 118,740,101 |
| d Surplus in Statement of Profit and loss | | |
| Opening balance | 137,265,478 | 91,294,535 |
| Add: Net Profit for the current year | 36,585,006 | 45,970,943 |
| | 173,850,484 | 137,265,478 |
| Less: Appropriations: | | |
| Transfer to General Reserves | - | - |
| Closing Balance | 173,850,484 | 137,265,478 |
| Total | 302,561,584 | 265,976,579 |

Note:3 LONG TERM BORROWINGS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| (a) Secured Loans | | |
| (i) Term loans (Secured Loans from Banks are secured against movable and immovable fixed assets of the Co. and personal guarantee of promoters directors) | 377,598,273 | 375,401,841 |
| (ii) Foreign Buyer Credit from Bank (Foreign Buyer Credit from Bank is secured against movable and immovable fixed assets of the Company and personal guarantee of promoters directors and payable after three years) | 3,437,574 | 9,699,442 |
| | 381,035,847 | 385,101,283 |
| (b) Unsecured | | |
| (i) Loans and advances from related parties | 53,964,090 | 54,976,590 |
| (ii) Others | 6,000,000 | 6,000,000 |
| | 59,964,090 | 60,976,590 |
| Total | 440,999,937 | 446,077,873 |

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Notes forming part of the Consolidated Financial Statements

Note: 4 DEFERRED TAX BALANCES

(in Rs)

| Particulars | Deferred Tax Liability as at March 31, 2014 | Current year charge/(credit) | Deferred Tax Liability as at March 31, 2015 |
|---|---|------------------------------|---|
| (a) Deferred Tax Liabilities (Net) | | | |
| Depreciation and amortisation | 19,818,486 | 10,760,887 | 30579373 |
| Total | 19,818,486 | 10,760,887 | 30579373 |
| (b) Deferred Tax Assets (Net) | | | |
| Depreciation and amortisation | - | - | - |
| Employee benefits | 2,731,968 | 923,418 | 3655386 |
| Total | 2,731,968 | 923,418 | 3655386 |
| | 17,086,518 | 9,837,469 | 26923987 |

Note:5 LONG TERM PROVISIONS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------|----------------------|----------------------|
| Provision for employee benefits | 9,648,423 | 6,062,000 |
| Total | 9,648,423 | 6,062,000 |

Provision for employee benefits includes provision for gratuity and other retirement benefits

Note:6 SHORT TERM BORROWINGS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---|----------------------|----------------------|
| Secured loans | | |
| (a) Loans repayable on demand from Bank | 211,587,777 | 192,118,721 |
| Total | 211,587,777 | 192,118,721 |

(Loan from banks are secured against Stock & Book Debts and personal guarantee of Directors)

Note:7 OTHER CURRENT LIABILITIES

| Other Current Liabilities | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| a Current Maturities of Long term Debt | 61,511,017 | 75,851,349 |
| b Other payables | 32,147,435 | 17,926,392 |
| Total | 93,658,452 | 93,777,741 |

Note:8 SHORT TERM PROVISIONS

| Short Term Provisions | As at March 31, 2015 | As at March 31, 2014 |
|-------------------------------------|----------------------|----------------------|
| (a) Provision for employee benefits | 17,755,325 | 13,166,257 |
| Total | 17,755,325 | 13,166,257 |

Note:10 NON CURRENT INVESTMENTS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| A Trade Investments | | |
| Total (A) | | |
| B Other Investments (Unquoted) | | |
| (a) Investment in Equity instruments in Subsidiary Company | 99,990 | 57,199,980 |
| (a) Investment in Equity instruments in Associate Company | 72,309,990 | 14,210,000 |
| Grand Total (A + B) | 72,409,980 | 71,409,980 |



**Notes-9
Fixed Assets**

| | | Gross Block | | | | Depreciation | | | | | Written Down Value | | |
|------------------------|-------|---------------------|----------------------------------|--------------------|---------------------|---------------------|--------------------------|------------------------------|-------------|----------------------|---------------------------|---------------------|---------------------|
| Particulars | Rate | As on 01.04.2014 | Additions During F.Y 14-15 | Deduction /Sale | As on 31.03.2015 | As on 01.04.2014 | On the Op bal. Period | Depreciation On Additions | Adjustment | During the period | Total As on 31.03.2015 | As on 31.03.2015 | As on 31.03.2014 |
| Lease Hold Land | | 46,553,622 | - | - | 46,553,622 | 111,237 | - | - | - | - | 111,237 | 46,442,385 | 46,442,385 |
| Leasehold Improvements | | - | 9,198,323 | - | 9,198,323 | - | - | 681,289 | - | 681,289 | 681,289 | 8,517,034 | - |
| Free Hold Land | | 56,144,057 | - | - | 56,144,057 | - | - | - | - | - | - | 56,144,057 | 56,144,057 |
| Building | 1.58 | 334,213,393 | 17,882,900 | - | 352,096,294 | 51,007,464 | 4,651,484 | 25,358 | - | 4,676,842 | 55,684,306 | 296,411,988 | 283,205,930 |
| Plant&Machinery | 7.31 | 596,007,370 | 41,902,161 | 246,961,708 | 390,947,823 | 384,033,196 | 25,374,726 | 2,277,682 | 246,961,708 | 27,652,408 | 164,723,896 | 226,223,927 | 211,974,174 |
| Furnitures&Fixtures | 9.50 | 25,477,095 | 2,708,117 | 1,627,022 | 26,558,190 | 8,304,682 | 2,809,224 | 164,781 | 1,627,022 | 2,974,005 | 9,651,665 | 16,906,525 | 17,172,413 |
| Office Equipments | 19.00 | 5,034,384 | 522,362 | 66,974 | 5,489,772 | 1,198,857 | 1,564,925 | 37,146 | 66,974 | 1,602,071 | 2,733,954 | 2,755,818 | 3,835,527 |
| Electrical Equipments | 9.50 | 25,001,118 | 4,101,671 | 327,419 | 28,775,369 | 5,099,956 | 4,763,331 | 226,333 | 327,419 | 4,989,664 | 9,762,201 | 19,013,168 | 19,901,161 |
| Computer | 31.67 | 8,270,172 | 3,740,588 | 5,268,331 | 6,742,429 | 7,334,285 | 524,145 | 720,299 | 5,268,331 | 1,244,444 | 3,310,398 | 3,432,031 | 935,887 |
| Vehicles | 11.58 | 16,120,675 | 13,099,950 | 8,318,981 | 20,901,644 | 5,823,292 | 1,303,342 | 1,207,316 | 3,548,596 | 2,510,658 | 4,785,354 | 16,116,290 | 10,297,383 |
| Generator | 6.33 | 9,542,051 | 723,600 | - | 10,265,651 | 1,594,485 | 479,862 | 41,987 | - | 521,849 | 2,116,334 | 8,149,317 | 7,947,566 |
| Total | | 1,122,363,937 | 93,879,671 | 262,570,435 | 953,673,173 | 464,507,454 | 41,471,039 | 5,382,191 | 257,800,050 | 46,853,230 | 253,560,633 | 700,112,540 | 657,856,483 |
| Previous Year | | 1,083,380,754 | 38,983,184 | - | 1,122,363,938 | 411,902,032 | 51,915,371 | 690,051 | - | 52,605,422 | 464,507,454 | 657,856,483 | -- |

Notes forming part of the Financial Statements

| B. Details of Other Investments | | | | | | | | | | |
|---------------------------------|---|---|---------------------|-----------------------|-------------------|--------------------------|-------------------|-------------------|---------------------------------|-----------------------|
| | Name of the Body Corporate | Subsidiary / Associate / JV/ Controlled Entity / Others | Face Value of (INR) | No. of Shares / Units | Quoted / Unquoted | Partly Paid / Fully paid | Amount (Rs.) | | Whether stated at Cost Yes / No | No. of Shares / Units |
| | Investment in Equity Instruments | | | 31/03/2015 | | | 31/03/2015 | 31/03/2014 | | 31/03/2014 |
| | | (1) | (2) | (3) | (4) | (5) | (8) | (9) | (10) | (3) |
| | Regency Nephrocare Pvt. Ltd. | Associate cum JV Company | 10 | 1421000 | Unquoted | Fully Paid | 14,210,000 | 14,210,000 | Yes | 1421000 |
| | HCG Regency Oncology Healthcare Pvt. Ltd. | Associates | 10 | 4999999 | Unquoted | Fully Paid | 58,099,990 | 57,099,990 | Yes | 4899999 |
| | Regency Life Care Private Limited | Wholly owned Subsidiary | 10 | 9999 | Unquoted | Fully Paid | 99,990 | 99,990 | Yes | 9999 |
| | Total | | | | | | 72,409,980 | 71,409,980 | | |

NOTE:11 LONG TERM LOANS AND ADVANCES (Unsecured)

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--------------------------|----------------------|----------------------|
| Considered Good: | | |
| a Security Deposits | 19,294,071 | 11,623,960 |
| b Mat Credit Receivables | 19,134,701 | 22,024,647 |
| c Interest Accrued | 59,427 | 1,264,201 |
| d Capital Advance | 3,750,000 | - |
| Total | 42,238,198 | 34,912,808 |

NOTE:12 CURRENT INVESTMENTS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|------------------------------------|----------------------|----------------------|
| Investment in Mutual Fund-Unquoted | 12,828,541 | 2,791,889 |
| Total | 12,828,541 | 2,791,889 |

NOTE:13 INVENTORIES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| a Medicines (valued at cost) | 18,881,949 | 16,180,634 |
| b Stores and Spares (valued at cost) | 1,309,938 | 1,499,300 |
| c Surgical consumable/implants(valued at Cost) | 43,314,119 | 25,216,557 |
| d Other Consumables (Valued at cost) | - | - |
| Total | 63,506,006 | 42,896,491 |

Note 14 TRADE RECEIVABLES

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|--|----------------------|----------------------|
| Secured, considered good Trade receivables outstanding for a period less than six months from the date they are due for payment | 225,485,295 | 195,713,786 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | 0.00 | 0.00 |
| Total | 225,485,295 | 195,713,786 |

Note:15 CASH AND CASH EQUIVALENTS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|------------------------|----------------------|----------------------|
| a Balances with banks* | | |
| Current Accounts | 57,812,151 | 50,774,307 |
| Deposit Account | 1,380,619 | 57,625,000 |
| b Cash on hand | 1,776,760 | 2,980,935 |
| Total | 60,969,530 | 111,380,241 |

Note:16 SHORT TERM LOANS AND ADVANCES (UNSECURED)

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|---------------------------------|----------------------|----------------------|
| Considered Good: | | |
| Loans and Advances to Employees | 626,314 | 400,014 |
| Income Tax Refund Due | 7,040,748 | 7,300,409 |
| Other Loans & Advances | 16,886,535 | 11,896,901 |
| Total | 24,553,597 | 19,597,324 |

Note:17 OTHER CURRENT ASSETS

| Particulars | As at March 31, 2015 | As at March 31, 2014 |
|------------------|----------------------|----------------------|
| Prepaid Expenses | 3,445,727 | 2,369,740 |
| Total | 3,445,727 | 2,369,740 |

Note:18 REVENUE FROM OPERATIONS

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|--|---------------------------------------|---------------------------------------|
| Revenue from Healthcare Services | 756,236,277 | 654,639,483 |
| Revenue from Pharmacy & Surgical Sales | 264,103,218 | 241,325,616 |
| Nursing College | 10,533,739 | 9,740,430 |
| Total | 1,030,873,234 | 905,705,530 |

Note:19 OTHER INCOME

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|-------------------|---------------------------------------|---------------------------------------|
| Interest Receipts | 1,625,507 | 8,424,141 |
| Rent Receipts | 5,546,820 | 3,058,298 |
| Other Income | 7,038,691 | 18,127,859 |
| Total | 14,211,018 | 29,610,298 |

Note:20 CHANGES IN INVENTORIES OF STOCK IN TRADE

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|------------------------------|---------------------------------------|---------------------------------------|
| Opening Stock in trade | 31,574,396 | 25,518,747 |
| Less: Closing Stock in trade | 52,924,630 | 31,574,396 |
| Total | 21,350,234 | 6,055,649 |

Note: 21 COST OF MATERIALS CONSUMED

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Indigenous Materials: | | |
| Surgical | 7,229,130 | 13,492,240 |
| Stores Consumable | 25,089,042 | 32,463,209 |
| Total Consumption of Materials | 32,318,172 | 45,955,449 |

(Consumption relates to items used for healthcare services only)

Note:22 PURCHASE OF STOCK IN TRADE

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|----------------------|---------------------------------------|---------------------------------------|
| Indigenous Materials | | |
| Pharmacy | 122,997,362 | 100,828,351 |
| Surgical | 74,464,816 | 57,615,507 |
| Total | 197,462,178 | 158,443,858 |

Note: 23 EMPLOYEE BENEFIT EXPENSES

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Salaries and incentives to employees | 190,701,060 | 151,406,545 |
| Contribution to Provident Fund / ESI | 2,479,026 | 1,853,061 |
| Gratuity | 3,586,423 | 731,000 |
| Staff Welfare Expenses | 6,876,968 | 8,999,960 |
| Bonus and Exgratia | 1,617,986 | 2,452,375 |
| TOTAL | 205,261,463 | 165,442,941 |

Note: 24 FINANCE COSTS

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|------------------------|---------------------------------------|---------------------------------------|
| Interest Expense | 84,726,193 | 70,413,117 |
| Bank and other Charges | 2,595,660 | 2,545,238 |
| SUB TOTAL | 87,321,853 | 72,958,355 |

Note : 25 Other Expenses

| PARTICULARS | For the Year Ended 31st March,2015 | For the Year Ended 31st March,2014 |
|--|---------------------------------------|---------------------------------------|
| Other Operating Expenses | 284,946,745 | 244,289,473 |
| Power & Fuel | 42,169,316 | 30,862,331 |
| House Keeping Expenses | 20,208,635 | 16,289,865 |
| Rates & Taxes excuding taxes on income | 15,207,927 | 14,701,206 |
| Rent | 15,195,384 | 11,699,181 |
| Repair to Building | 2,318,421 | 2,829,092 |
| Repair to Machinery | 12,198,527 | 11,592,033 |
| Repair to Vehicles | 1,801,794 | 1,785,514 |
| Office Maintenance & Others | 7,673,391 | 10,462,320 |
| Insurance | 1,491,403 | 1,737,336 |
| Printing & Stationery | 5,308,335 | 4,274,264 |
| Director Sitting Fees | 172,000 | 115,000 |
| Advertisement ,Publicity & Marketing | 3,317,279 | 1,871,227 |
| Travelling & Conveyance | 4,745,013 | 4,781,740 |
| Subscriptions | 273,804 | 147,351 |
| Security Charges | 5,343,998 | 4,873,479 |
| Legal & Professional Fees | 4,506,186 | 6,049,251 |
| Postage Telegram & Telephone Expenses | 2,203,080 | 1,974,515 |
| Donations | 1,175,000 | 255,000 |
| Auditors Remuneration | 252,810 | 168,540 |
| Miscellaneous Expenses | 3,965,108 | 2,916,454 |
| Loss on sale of Assets(Net) | 1,078,385 | ---- |
| Total | 435,552,541 | 373,675,172 |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**Note : 26 Retirement Benefit Plans:****a) Defined contribution plans:**

The Company makes contribution towards Provident Fund and Employees State Insurance Fund as a defined contribution retirement benefit fund for qualifying employees. Under the Scheme company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.35,86,423/- (31st March, 2014 - Rs. 18,53,061/-) for provident fund & Employees State Insurance Fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans:

The present value of the defined benefit obligation and related current service cost were measured using the projected Unit Credit Method, with actuarial valuation being carried out as on 31st March, 2015.

The disclosure in respect of defined benefit gratuity plan is based on report given by actuary as on 31st March, 2015.

| Particulars | Year ended 31st March, 2015 | Year ended 31st March, 2014 |
|--|-----------------------------------|-----------------------------------|
| Change in present value of obligation: | | |
| Present value of obligation at the beginning of the year | 60,62,000 | 53,31,000 |
| Interest cost | 5,60,735 | 4,37,142 |
| Current service cost | 11,71,725 | 10,99,444 |
| Actuarial Losses/ (Gains) | 18,53,963 | (8,05,586) |
| Benefits paid | 0 | 0 |
| Present value of Obligation at the close of the year | 96,48,423 | 60,62,000 |
| Amounts recognised in the statement of Profit and Loss: | | |
| Current Service Cost | 11,71,725 | 10,99,444 |
| Interest Cost | 5,60,735 | 4,37,142 |
| Expected Return on plan assets | 0 | 0 |
| Actuarial Losses | 18,53,963 | (8,05,586) |
| Expenses recognised | 35,90,423 | 7,31,000 |
| Actuarial Assumptions at the Balance Sheet date: | | |
| Discount Rate | 7.80% | 9.25% |
| Salary Escalation | 10% | 10% |
| Mortality Rate | LIC (2006-08) Ultimate | LIC (2006-08) Ultimate |

The estimate of future salary increase considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Note 27: Segment Reporting

| | Hospital | 2014-15 Nursing College | Total | Hospital | 2013-14 Nursing College | Total |
|--|---------------|-------------------------------|---------------|---------------|-------------------------------|---------------|
| (A) INFORMATION IN RESPECT OF PRIMARY SEGMENT | | | | | | |
| (I) Segment Revenue | | | | | | |
| Operating Income | 1,020,339,495 | 10,533,739 | 1,030,873,234 | 895,965,100 | 9,740,430 | 905,705,530 |
| Total Segment Revenue | 1,020,339,495 | 10,533,739 | 1,030,873,234 | 895,965,100 | 9,740,430 | 905,705,530 |
| (II) Segment Results | | | | | | |
| Profit (+) /Loss (-) Before Tax and Interest | 141,942,580 | 5,418,815 | 147,361,395 | 134,168,293 | 2,656,201 | 136,824,494 |
| Less: | | | | | | |
| Interest (Net) | | | 85,696,346 | | | 64,534,214 |
| Unallocable Expenditure | | | | | | |
| Net of Unallocable Income | | | - | | | - |
| Tax Expense | | | 25,080,044 | | | 26,319,337 |
| Profit After Tax | | | 36,585,006 | | | 45,970,943 |
| III) Other Information: | | | | | | |
| (a) Segment Assets | 1,178,358,043 | 28,904,670 | 1,207,262,713 | 1,128,694,339 | 26,970,198 | 1,155,664,537 |
| Unallocated Assets | | | | | | |
| Total Assets | 1,178,358,043 | 28,904,670 | 1,207,262,713 | 1,128,694,339 | 26,970,198 | 1,155,664,537 |
| (b) Segment Liabilities | 780,823,449 | 3,367,013 | 784,190,462 | 776,422,599 | 2,592,161 | 779,014,760 |
| Unallocated Liabilities | | | | | | |
| | 780,823,449 | 3,367,013 | 784,190,462 | 776,422,599 | 2,592,161 | 779,014,760 |
| (c) Capital Expenditure | 80,130,259 | 440,217 | 80,570,476 | 62,745,588 | 2,301,400 | 65,046,988 |
| Depreciation Unallocated | | | | | | |
| Depreciation /Amortisation | 46,413,608 | 439,622 | 46,853,230 | 52,333,827 | 271,595 | 52,605,422 |

Other disclosures:

- The Company caters mostly to local markets and as such there is no reportable geographical segment.
- Segments have been identified in line with the Accounting Standard -17 "Segment Reporting" taking into account the organization structure as well as differing risks and returns.
- The segment revenue, results, assets and liabilities include respective amounts identifiable to each of the segment and amounts allocated on reasonable basis.

Note 28: Earning Per Share (EPS):

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

| | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|--|--|
| Net Profit/ (Loss) for the Year | 3,65,85,005 | 45,970,944 |
| Weighted average number of Equity Shares used as denominator for calculating EPS | 9358668 | 9358668 |
| Basic and Diluted Earning per share (in Rs.) | 3.91 | 4.91 |
| Face Value per Equity share (In Rs.) | 10 | 10 |

Note 29: Contingent Liability

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|---|---------------------------|---------------------------|
| Disputed demand of Customs Department (under appeal). The Company has filed an appeal to High Court of Judicature at Allahabad. | 3,845,000 | 3,845,000 |
| Bank Guarantee furnished to Director, CGHS , ECHS for treatment of their employees. | 1,500,000 | 1,500,000 |
| Corporate Guarantee given to banks in respect of financial assistance availed by Associate Company | 453,000,000 | 453,000,000 |

Note 30: Capital Commitments:

| Particulars | As at 31st March, 2015 | As at 31st March, 2014 |
|--|---------------------------|---------------------------|
| Estimated value of contracts in capital account remaining to be executed and not provided for [net of capital advance] | 36,696,261 | 3,611,606 |

Note 31: Related Party Disclosures:**(a) Related Parties with whom transactions have taken place during the year:**

| | |
|-------|---|
| (i) | Key Managerial Personnel (KMP) and their relatives |
| (a) | Dr. Atul Kapoor, Key Managerial Personnel (Managing Director) |
| (b) | Dr. Rashmi Kapoor, Key Managerial Personnel (Whole-Time Director) |
| (c) | Mr. Anant Ram Kapoor, Relative of Key Managerial Personnel |
| (d) | Mr. Abhishek Kapoor, Relative of Key Managerial Personnel |
| (e) | Mr. Arun Kapoor, Relative of Key Managerial Personnel |
| (f) | Mrs. Janhvi Kapoor, Relative of Key Managerial Personnel |
| (iii) | Enterprises owned or significantly influenced by Key Managerial Personnel and their relatives: |
| (a) | HCG Regency Oncology Healthcare Private Limited, Associate Company |
| (b) | Regency Nephrocare Private Limited, Associate Company |
| (c) | Regency Lifecare Private Limited, Wholly Owned Subsidiary Company |

(b) Transactions with related parties during the year:-

| Name of Person | Description of transactions during the year | 31st March, 2015 (Rs.) | 31st March, 2014 (Rs.) |
|----------------------|---|---------------------------|---------------------------|
| Mr. Anant Ram Kapoor | Remuneration | 1,80,000 | 180,000 |
| | Land Rent | 1,107,516 | 1,015,093 |
| Dr. Atul Kapoor | Remuneration | 4,595,726 | 3,699,800 |
| | Lease Rent | 900,000 | 900,000 |
| Dr. Rashmi Kapoor | Remuneration | 4,530,155 | 3,413,632 |
| | Lease Rent | 3,900,000 | 3,900,000 |
| | Doctor fees | 4,549,119 | 0 |

| | | | |
|---|---|------------|-------------|
| Shri Arun Kapoor | Remuneration | 1,200,000 | 9,60,000 |
| Mr. Abhishek Kapoor | Remuneration | 1,800,000 | 1,800,000 |
| Mrs. Jhanvi Kapoor | Remuneration | 240,000 | 60,000 |
| HCG Regency Oncology Healthcare Private Limited | Investment in Equity Shares (including premium) | 1,000,000 | 4,80,00,000 |
| Regency Nephrocare Private Limited | Investment in Equity Shares | 0 | 14,210,000 |
| | Payment of medical services fee | 32,917,046 | 3,740,704 |
| | Rendering of Services | | |
| | a. Non Competing Fee | 0 | 13,210,015 |
| | b. Lease rent from medical equipment | 2,060,028 | 1,535,100 |
| | c. Lease rent from building | 3,146,952 | 1,535,100 |
| Regency Lifecare Private Limited | Investment in Equity Shares | 0 | 999,990 |

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

| Particulars | 31st March, 2015 (Rs.) | 31st March, 2014 (Rs.) |
|---|---------------------------|---------------------------|
| a) Audit Fees | 1,75,000 | 125,000 |
| b) Tax Audit Fees | 50,000 | 25,000 |
| c) Certification & Other Professional Matters | 75,000 | 50,000 |

Note 33 :

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office etc.). These leasing arrangements which are not non- cancellable range between 11 months and 30 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable during the year are charged as "Rent" under Note 25.

With regard to certain other non cancellable operating leases for premises, the future minimum rentals are as follows:

| Particulars | As at 31st March, 2015 (in Rs.) | As at 31st March, 2014 (in Rs.) |
|--|------------------------------------|------------------------------------|
| Later than one year and not later than five year | 1,61,41,033 | 3,10,16,143 |
| Later than five years | 27,51,84,308 | 30,900,000 |

Note 34 : Details of dues due to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The management has confirmed that none of the suppliers have confirmed that they are registered under the provision of the Act. In view of this, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Note 35 : Sundry Debtors, Loans and Advances:

- Sundry Debtors represent the debt outstanding on treatment of employees of corporate clients with whom company is empanelled.
- In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated, if realised in ordinary course of business and provision for depreciation and other known liabilities is adequate.

Note: 36 : STATEMENT OF PROFIT AND LOSS :**(a) Value of Imports calculated on CIF basis:**

| Particulars | 31st March, 2015 (Rs.) | 31st March, 2014 (Rs.) |
|-----------------------------|---------------------------|---------------------------|
| i) Raw Materials | 0 | 0 |
| ii) Capital Goods | 39,09,947 | 0 |
| iii) Stores and spare parts | 0 | 0 |

b) Expenditure in Foreign Currency:

| Particulars | 31st March, 2015 (Rs.) | 31st March, 2014 (Rs.) |
|---------------------------------------|---------------------------|---------------------------|
| Interest, Commitment and Bank Charges | 3,66,283 | 1,309,318 |

Note 37: DERIVATIVE INSTRUMENTS

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:-

| Particulars | 31st March, 2015 | | 31st March, 2014 | |
|--|---------------------|--------------|---------------------|--------------|
| | Foreign Currency | Amount Rs | Foreign Currency | Amount Rs |
| Amount Payable in Foreign Currency on account of the following | | | | |
| Buyer's Credit | \$28700 | 1,788,423 | \$ 837,630 | 50,205,532 |
| | \$26465 | 1,649,151 | Euro 27,000 | 2,229,044 |
| Total | | 34,37,574 | | 52,434,576 |

Note 38:

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

Note 39:

These financial statements have been prepared in the format prescribed by the revised Schedule III to the Companies Act, 2013. Previous period figures have been recasted /restated to conform to the classification of the current period.

FOR JAIN DHINGRA & ASSOCIATES

Chartered Accountants

Firm Registration No.: 000987C

R. N. Dhingra

Partner

Membership No.15385

30th May, 2015
New Delhi**For and on behalf of the Board****Ratan Lal Srivastava**
Chairman**Dr. Rashmi Kapoor**
Whole Time Director**Subhash Chand Ahuja**
Director**Deepak Kumar Gupta**
Chief Financial Officer**Dr. Atul Kapoor**
Managing Director**Anil Kumar Khemka**
Director**Rajiv Kumar Bakshi**
Director**Ankit Mishra**
Company Secretary

REGENCY HOSPITAL LIMITED

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

CIN: L85110UP1987PLC008792

e-mail: investor@regencyhealthcare.in ; **website:** www. regencyhealthcare.in

Ph: 3081111 **Fax:** (91) (512) 2213407

PROXY FORM

[Pursuant to Section 105(6) of Companies Act, 2013
and Rule 19(3) of Companies (Management and
Administration) Rules, 2014]

26TH ANNUAL GENERAL MEETING SEPTEMBER 30, 2015

Name of the Member(s):

| |
|--|
| |
| |
| |

Registered address:

| |
|--|
| |
| |

E-mail:

| |
|--|
| |
|--|

Folio No./Client ID: DP

| | | | | | | | | | |
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| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

ID:

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

I/ We, being the member(s) of shares of Regency Hospital Limited,
hereby appoint:

Name:Email:

Address:

.....Signature:, or
failing him/ her;

Name:Email:

Address:

.....Signature:, or
failing him/ her;

Name:Email:

Address:

.....Signature:, or
failing him/ her;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 26th Annual General Meeting of the Company, to be held on Wednesday September 30, 2015, at 01:00p.m. at the Registered Office at A-2, Sarvodaya Nagar, Kanpur-208005, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution Number | Resolutions | Vote (Optional see Note 2) | |
|-------------------|---|----------------------------|---------|
| | | For | Against |
| Ordinary Business | | | |
| 1. | Adoption of Financial Statements for the financial year ended March 31, 2015 and Reports of Board of Directors and Auditors | | |
| 2. | To appoint a Director in place of Mr. Ratan Lal Srivastava (DIN: 00150105), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment. | | |
| Special Business | | | |
| 3. | Appointment of M/s Walker Chandio & Co LLP, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration | | |
| 4. | Appointment of Mr. Subhash Chand Ahuja as an Independent Director of the Company. | | |
| 5. | Appointment of Mr. Ramakanta Madanmohan Panda as an Independent Director of the Company. | | |
| 6. | Approval for mortgage or charge of any movable/ immovable properties of the Company. | | |
| 7. | Approval for borrowings for the purposes of business of the Company. | | |

Signed thisday of2015

Affix revenue stamp of not Less Than Rs. 0.15

.....
Signature of the member

.....
Signature of first proxy holder

.....
Signature of second proxy holder

.....
Signature of third proxy holder

Notes:

1. Appointing a proxy does not prevent a member from attending the meeting in person if he/ she so wishes.
2. It is optional to indicate your preference. Please put a tick mark in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/ she may deem appropriate.

REGENCY HOSPITAL LIMITED

Registered Office: A-2, Sarvodaya Nagar, Kanpur- 208005
CIN: L85110UP1987PLC008792

e-mail: investor@regencyhealthcare.in; website: www. regencyhealthcare.in
Ph: 3081111 Fax: (91) (512) 2213407

ATTENDANCE SLIP

26th Annual General Meeting - 30th September, 2015

I certify that I am a member/ proxy for the member of the Company.

I hereby record my presence at the 26th Annual General Meeting of the Company at the Registered Office of the Company ay A-2, Sarvodaya Nagar, Kanpur- 208005, on Wednesday September 30, 2015, at 01.00 P.M.

.....
Member's Folio/DP.ID-Client ID No.

.....
Name of the member/ proxy
(in BLOCK LETTERS)

.....
Signature of Member/ proxy

- Note:
1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.
 2. No bags, briefcases, drinks and eatables will be allowed to be carried inside the auditorium.

REGENCY HOSPITAL LIMITED

Registered Office: A-2, Sarvodaya Nagar, Kanpur- 208005
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Ph: 3081111 Fax: (91) (512) 2213407

ATTENDANCE SLIP

26th Annual General Meeting - 30th September, 2015

I certify that I am a member/ proxy for the member of the Company.

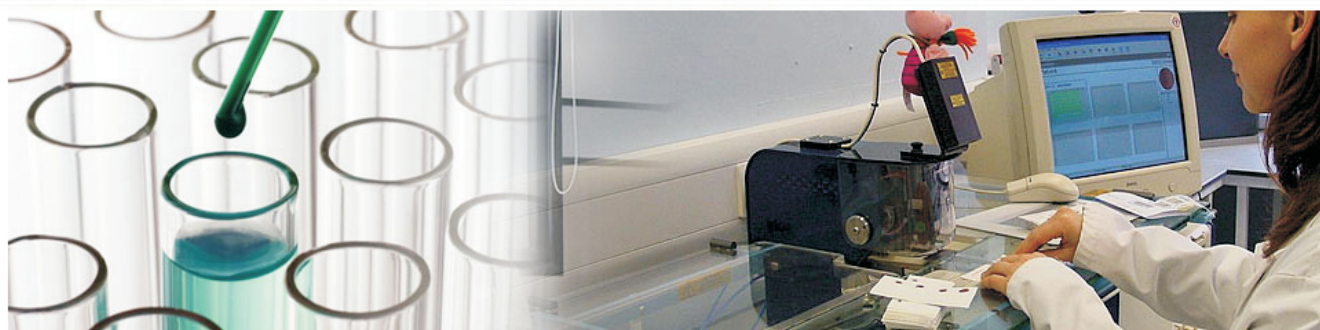
I hereby record my presence at the 26th Annual General Meeting of the Company at the Registered Office of the Company ay A-2, Sarvodaya Nagar, Kanpur- 208005, on Wednesday September 30, 2015, at 01.00 P.M.

.....
Member's Folio/DP.ID-Client ID No.

.....
Name of the member/ proxy
(in BLOCK LETTERS)

.....
Signature of Member/ proxy

- Note:
1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.
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REGENCY HOSPITAL LTD.

A-2, SARVODAYA NAGAR, KANPUR- 208005