



Cert No. H-2012-0145



**REGENCY  
HEALTHCARE**

ENSURING WELLNESS · ENRICHING LIVES



Cert No. 0272

# REGENCY HOSPITAL LTD.

**REGENCY HOSPITAL LTD.**



**REGENCY RENAL SCIENCES CENTRE**



**REGENCY CITY CLINIC**



**REGENCY HOSPITAL GOVIND NAGAR**



**HCG REGENCY CANCER CENTRE**



**28<sup>TH</sup>**  
**ANNUAL REPORT**  
**2016-17**



# REGENCY HOSPITAL

NOW IN  
GOVIND NAGAR



Plot 16 & 17, Block 'K', Govind Nagar, Kanpur  
T | 0512-3362222

**BOARD OF DIRECTORS**

Dr. Atul Kapoor	-	Managing Director
Dr. Rashmi Kapoor	-	Whole-Time Director
Mr. Subhash Chand Ahuja	-	Independent Director
Mr. Anil Kumar Khemka	-	Independent Director
Mr. Rajiv Kumar Bakshi	-	Independent Director
Mr. Charles Antoine Emmanuel T Janssen	-	Nominee Director

**COMPANY SECRETARY**

Mr. Rishi Tandon

**CHIEF FINANCIAL OFFICER**

Mr. Deepak Gupta

**STATUTORY AUDITORS**

Walker Chandio & Co LLP,  
Chartered Accountants

**MAIN BANKERS**

HDFC Bank Limited  
Yes Bank Limited

**REGISTERED OFFICE**

A-2, Sarvodaya Nagar,  
Kanpur-208005, U.P, India  
CIN : U85110UP1987PLC008792  
Email-investor@regencyhealthcare.in  
Website- www.regencyhealthcare.in  
Ph: 3081111 Fax: (91) (512) 2213407

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Services (P) Limited  
D-153/A, 1st Floor, Okhla Industrial Area,  
Phase-1, New Delhi-110020  
Ph.No-011-30857575

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## NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the Members of **REGENCY HOSPITAL LIMITED** will be held on Tuesday, the 26th day of September, 2017 at 3:00 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 receive, consider and adopt:

- The audited standalone financial statements of the Company for the Financial Year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon; and
- The audited consolidated financial statements of the Company for the Financial Year ended March 31, 2017.

### 2. To appoint a Director in place of Dr. Rashmi Kapoor (DIN: 01818323), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.

### 3. To ratify the appointment of 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, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or re-enactment thereof, for the time being in force), the company hereby ratifies the appointment of M/s Walker Chandiok & Co LLP, Chartered Accountants, having ICAI Firm registration no.001076N/N500013, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such terms and remuneration as agreed upon between the Audit Committee/ Board of Directors and the Auditors."

## SPECIAL BUSINESS

### 4. Ratification of the remuneration payable to Cost Auditor

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 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the reappointment of Mr. Rishi Mohan Bansal, as Cost

Auditors to audit the cost records maintained by the Company for the Financial Year 2017-18 at a remuneration of Rs.25,000/-per annum (Rupees Twenty Five Thousand only) plus service Tax as applicable and out of pocket expenses, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### 5. Appointment of Mr. Rabindra Nath Mohanty

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 Sections 149, 152 & 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rabindra Nath Mohanty (DIN No-07895550) who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing 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 the term of three (3) years commencing from 26th September, 2017 and whose office shall not be liable to retire by rotation."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Dr. Atul Kapoor (DIN No-01449229), Managing Director of the Company or Mr. Rishi Tandon, Company Secretary of the Company, be and are hereby severally authorized to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns along with filing of necessary E-form with the Registrar of Companies, Uttar Pradesh and Uttarakhand."

### 6. Approval of Related Party Transactions

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 188 and other applicable provisions, if any of Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) and re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to approve related party transactions by the Company up to the maximum amounts as appended below:

<b>Name of related party:</b>	HCG ReGENCY Oncology Healthcare Private Limited
<b>Name of Director / KMP who is related, if any:</b>	Dr. Atul Kapoor and Dr. Rashmi Kapoor
<b>Nature of relationship:</b>	Common Directorship
<b>Nature, material terms, monetary value and particulars of contract or arrangement</b>	<b>Rs. in Lacs / Annum</b>
Availing services for treatment of corporate cancer patients	1200
Rendering Radiology and Pathology Services	500
Supply of Goods	2000

**RESOLVED FURTHER THAT** although these transactions are based in ordinary course of business and at arm length basis, the aforesaid consent is sought as an abundant caution and thus the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

#### 7. Enhancement of Borrowing Powers

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Special Resolution**:

**"RESOLVED THAT** in supersession to the resolution passed by the shareholders at the 26th Annual General Meeting of the Company held on September 30, 2015, and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 read with rules made there under, consent of the members be and is hereby accorded, 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. 200 Crores (Rupees Two Hundred 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) authorized by the Board, be and is / are hereby authorized to finalize, 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 including filing of necessary forms with the Registrar of Companies."

#### 8. Creation of Charge on Company's Properties

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Special Resolution**:

**"RESOLVED THAT** in supersession to the resolution passed by the shareholders at the 26th Annual General Meeting of the Company held on September 30, 2015, consent of the members 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 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.200 Crores (Rupees Two Hundred 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."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorized by the Board, be and is / are hereby authorized to finalize, 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 including filing of necessary forms with the Registrar of Companies."

#### Registered Office:

A-2, Sarvodaya Nagar,  
Kanpur-208005

**By Order of the Board**  
**For ReGENCY Hospital Limited**

25th July, 2017

Sd/-  
(Rishi Tandon)  
**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. An Explanatory 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 who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
5. Members/Proxies should fill the attendance slip for attending the meeting and bring their attendance slip along with their copy of Annual Report to the meeting.
6. 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.
7. Relevant documents referred to in the accompanying Notice and the Statement is 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 Annual General Meeting.
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 Registers of members and share transfer books of the company shall remain closed from 19th September, 2017 to 26th September, 2017 (both days inclusive).
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. The route map showing directions to reach the venue of the twenty-eighth AGM is annexed.
12. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
13. The annual financial statements of the subsidiaries of the Company are available on the website of the Company at [www.regencyhealthcare.in](http://www.regencyhealthcare.in) and will be sent to the shareholder who asks for it.
14. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their right to vote at the Annual General Meeting (AGM) on the item mentioned in the notice by electronic means through e-voting services provided by M/s National Securities Depository Limited (NSDL). The e-voting shall be open from Saturday, September 23, 2017 (9.00 A.M.) to Monday, September 25, 2017 (05.00 P.M.) (Both days inclusive). Mr. S.K Sahu, prop. of M/s SKS & Company, Company Secretaries, Company Secretary in Practice (Membership No: 5182 and CP No. 4040) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
15. The notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the RTA/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that the notice and the Annual Report 2016-17 will also be available on the Company's website viz. [www.regencyhealthcare.in](http://www.regencyhealthcare.in). To support the Green initiative members who have not registered their email address are requested to update the same with RTA/Depositories.
16. As per the provisions of section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to RTA. Members holding shares in electronic form may submit the same to their respective depository participant.

**E-voting is optional.** The e-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on September 19, 2017 being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the e-voting period, unblock the votes in the presence of at least

two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the Company. The result of the e-voting along with the result of the poll conducted at the AGM and the Scrutinizer's Report shall be placed on the Company's website, [www.regencyhealthcare.in](http://www.regencyhealthcare.in) immediately after results are declared by the Chairman.

#### 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 email and open the PDF file 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 [skscsco2001@gmail.com](mailto:skscsco2001@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) & [investor@regencyhealthcare.in](mailto:investor@regencyhealthcare.in).
- (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance slip :-
  - (i) Initial Password is provided as below in the proxy form.

EVEN (e-Voting Event Number)	USER ID	PASSWORD / PIN

(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 download section of NSDL's e-voting website [www.evoting.nsdl.com](http://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 cutoff date i.e Tuesday, September 19, 2017. 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 three days and shall close at 5.00 p.m. on the date preceding the date of the annual general meeting. Accordingly, the voting period shall commence at 9:00 a.m. on Saturday, September 23, 2017 and will end at 5:00 p.m. on Monday, September 25, 2017. 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.
8. The facility for voting, through ballot paper shall also be made available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right at the meeting.
9. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again or change it subsequently.
10. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 19th September 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).



11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

#### **ANNEXURE TO THE NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 4**

The Board of Directors of the Company pursuant to the recommendation of the Audit Committee at their meeting held on 24th May, 2017 had re-appointed Mr. Rishi Mohan Bansal as the Cost Auditor to conduct the cost Audit of the Company's records for the F.Y. 2017-2018 at a remuneration of Rs.25,000/- (Rupees Twenty Five Thousand only) plus Service Tax as applicable and out of pocket expenses.

The eligibility Certificate obtained from Mr. Rishi Mohan Bansal is available for inspection at the registered office of the company during all working days between 11.00 am to 1.00 pm.

The Board recommends this resolution for approval of the Members for ratification of the remuneration being paid to the Cost Auditors for the F.Y 2017-18.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

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

Mr. Rabindra Nath Mohanty being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for three consecutive years for a term commencing from 26th September 2017. A notice has been received from a member proposing Mr. Rabindra Nath Mohanty as a candidate for the office of Director of the Company.

Mr. Rabindra Nath Mohanty had given a declaration to the Board that he meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, Mr. Mohanty fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director. He is having 33 years of experience and knowledge in the field of banking and finance and had held prestigious positions in his entire career. The Board considers that his association would be of immense benefit to the Company and considers just and appropriate to appoint him as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Rabindra Nath Mohanty as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours i.e. between 10.00 A. M. to 6.00 P.M. on any working day, (excluding Saturday) up to the date of Annual General Meeting.

Mr. Rabindra Nath Mohanty does not hold any shares in the Company and is independent of the management.

Accordingly, the Board recommends the resolution in relation to

appointment of Mr. Rabindra Nath Mohanty as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rabindra Nath Mohanty, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

##### **Item No. 6**

Board of Directors of your Company, based upon the approval of Audit Committee at their meeting held on 25.07.2017 respectively had considered, discussed and approve the related party transactions to be entered into by the company with HCG Regency Oncology Healthcare Private Limited. Based upon the frequency of transactions to be entered into by the Company in the current financial year, the monetary limits approved by the Board is likely to be exceeded. Accordingly, it was desired to seek shareholders' approval for revised monetary limits for related party transactions.

The particulars as to the related party transactions are furnished below as per the requirement of the prescribed rules and the grounds for having the transactions. All the contracts will be subject to the conditions that the prescribed price /charges payable under the contracts shall be competitive, shall be based on prevailing market price, shall not be prejudicial to the interest of either parties and shall be at Arm's length, on the basis of comparable uncontrolled price other than with associate enterprise. It should be further noted that transactions with HCG Regency Oncology Healthcare Private Limited are entered in the ordinary course of business and at arm length basis. Though it is not a mandatory requirement but shareholders consent is sought as an abundant caution to avoid any possible dispute.

<b>Name of related party:</b>	HCG Regency Oncology Healthcare Private Limited
<b>Name of Director / KMP who is related, if any:</b>	Dr. Atul Kapoor and Dr. Rashmi Kapoor
<b>Nature of relationship:</b>	Common Directorship
<b>Nature, material terms, monetary value and particulars of contract or arrangement</b>	<b>Rs. in Lacs / Annum</b>
Availing services for treatment of corporate cancer patients	1200
Rendering Radiology and Pathology Services	500
Supply of Goods	2000

Accordingly, the Board recommends the resolution in relation to approval of related party transactions for the revised monetary limits for the approval by the shareholders of the Company.

None of the Directors except Dr. Atul Kapoor & Dr. Rashmi Kapoor and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financial or otherwise, in the resolution mentioned at Item No.6 of the Notice.

**Item No. 7**

The members of the Company at their 26th Annual General Meeting held on 30th September, 2015, approved by way of a 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. 150 Crores (Rupees One Hundred Fifty Crores only)

Keeping in view the future capex requirements of the Company, it is considered desirable to obtain the members approval up to an amount not exceeding Rs.200 Crores (Rupees Two Hundred Crores only) at any point of time.

The Board recommends passing of the Special Resolution set out at Item No.7 of the notice for the approval of shareholders.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Item No. 8**

The member of the Company at their Annual General Meeting held on 30th September, 2015 had passed a special resolution under Section 180(1)(a) of the Companies Act, 2013 Company to create mortgage, hypothecation, pledge and/or charge the movable and/or immovable properties of the Company towards the borrowings availed or to be availed by the Company under said provisions for an amount up to Rs.150 Crores. Moreover validity of the resolution passed by member of the Company on 30th September, 2015, this approval is not sufficient to secure the further borrowings Rs.200 Crores. Therefore, the additional borrowings are required to be secured by way of mortgage, hypothecation, pledge and/ or charge on all or any of the movable and/ or immovable properties of the Company (both present and future) and/or any other assets or properties, either tangible or intangible, of the Company and/ or the whole or part of any of the undertaking of the Company, in favor of lender(s) from time to time.

The Board recommends passing of the Special Resolution set out at Item No.8 of the notice for the approval of shareholders.

None of the Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

**Registered Office:**

A-2, Sarvodaya Nagar,  
Kanpur-208005

**By Order of the Board**

For **Regency Hospital Limited**

Sd/-

(Rishi Tandon)

**Company Secretary**

25th July, 2017

## DIRECTORS' REPORT

To,  
The Members of  
**REGENCY HOSPITAL LIMITED**

Your Directors have pleasure in presenting here the Twenty Eight Annual Report and Audited Financial Results of the Company and Audit Report thereon for the year ended 31st March, 2017.

### FINANCIAL RESULTS (STANDALONE)

(Rs. in Cr.)

PARTICULARS	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
<b>Total Income</b>	<b>150.37</b>	<b>134.17</b>
Profit/(Loss) before Interest, Depreciation, exceptional, extra ordinary items and Taxation	17.66	18.30
Less : Depreciation	5.60	5.12
Less: Finance Charges	8.36	11.10
Profit before exceptional items and tax	3.70	2.08
Less : Exceptional Items	0.00	0.86
Profit Before Taxation	3.69	1.22
<b>Tax Expense</b>		
Less: Current Tax	1.71	0.58
Less: Tax relating to earlier year	0.19	0.13
Less : Deferred Tax	(0.46)	(0.30)
Less: Deferred Tax of earlier years	0.00	0.38
Minimum Alternate Tax (MAT) Credit Entitlement	0.00	(0.05)
<b>Profit for the Year</b>	<b>2.25</b>	<b>0.48</b>

### REVIEW OF AFFAIRS OF THE COMPANY

During the year under review, the company has dealt in two segments namely Patient Healthcare and Healthcare Education. The total operational receipts has increased from Rs.132.14 Cr. to Rs.148.69 Cr. thereby recording the growth of 12.52 % on year to year (YOY) basis. Out of above, operational receipts from healthcare activities has increased from Rs.130.88 Cr. to Rs.147.33 Cr. thereby recording a growth of 12.56 % on year to year (YOY) basis. The operational receipts from healthcare education has increased from Rs.1.26 Cr. to Rs.1.36 Cr., thus recording the growth of 7.94 % on year to year (YOY) basis. The growth in healthcare activities was mainly due to change in mix of indoor patients. During the year under review, hospital had treated 19004 Indoor patients and 187881 outdoor patients as compare to 17671 Indoor patients/170290 outdoor patients in same period during the previous year.

### ACHIEVEMENTS, GROWTH STRATEGY AND FUTURE PROSPECTS:

During the year under review, your Company has achieved all time high income from operations Rs.148.69 Cr. as compared to Rs.132.14 Cr. 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.

During the year under review, construction of building for Cancer Hospital in Joint venture with Healthcare Global Enterprises Ltd. had completed and hospital had started its commercial operations in the month of January 2017. Further, Company is also planning to start 110 bedded another multispecialty hospital at south Kanpur which is expected to be operational very soon.

Further, a unit of the Company namely Regency School of Nursing had acquired land admeasuring 3079.40 sq. mtrs in Ambedkar Puram area, Kanpur for constructing hostel building for its nurses and students. The company intends to built a total of 55,000 sq. ft area over the aforesaid land. The total rent paid by Regency for running the hostels at present is Rs. 50 lacs (approx) per annum which will be saved in future.

As a further impetus, Company is also planning to enter into a new territory outside Kanpur as well. The Company had entered into a lease agreement with a partnership firm namely 'EMPIRE' for developing a Renal Science Centre in Lucknow,

wherein the cost of the land and building will be borne by the owners and subsequently transferred to the Company on lease basis. Further, company is also planning to develop a multi-specialty hospital in Varanasi as well. The Company had identified the land therein and is waiting for land use conversion from Varanasi Development Authority.

Further, Company had purchased a land opposite to its main hospital situated in Sarvodaya Nagar, Kanpur admeasuring 5766.22 sq. mtr for diversifying and expanding its business. The company intends to develop new block which will approximately house 275 beds and will have all IPD's, OT's, ICU's, diagnostics, and rooms. The existing block will have all OPD's, Mother and child hospital, blood bank, labs, and any other day care branches, along will all diagnostics except MRI. Total bed count in the complex will be approximately 400-425 beds. This will provide a big boost to its existing hospital in terms of revenue and growth.

### EXCELLENCE IN OPERATIONS

The Hospital remained Committed to providing world class quality care and services and there was renewed focus on improving operation efficiencies across functions, improving patient services and enhancing safety for patients and staff. Safety and security continued to form a key part of the overall strategy for the hospital. The hospital further maintained its trend of decrease in its infection indices, which is steadily moving towards becoming a benchmark in Indian healthcare.

### 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.

### CAPITAL STRUCTURE

The Authorized Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- each. During the year under review, the Company had allotted 40,89,397 number of Equity shares by private placement/preferential allotment. The paid up Equity Share Capital as on March 31, 2017 was Rs.13,44,80,650/- (Rupees Thirteen Crores Fourty Four Lacs Eighty Thousand Six Hundred Fifty only) divided into 1,34,48,065 (One Crore Thirty Four Lacs Forty Eight Thousand and Sixty Five Only) Equity Shares of Rs. 10/- each.

### BOARD MEETINGS

During the year Six (6) Board Meetings were held on July 16, 2016, August 19, 2016, October 13, 2016, December 24, 2016, February 18, 2017 and February 28, 2017, the details of which are given herein below. The provisions of Companies Act, 2013 and Secretarial Standards-1 relating to Board Meetings were adhered to while considering the time gap between two meetings.

S.No.	Name of the Director	No. of Board Meetings during the Year		Attendance at the Last AGM
		Held	Attended	
1.	Dr. Atul Kapoor	6	5	Yes
2.	Dr. Rashmi Kapoor	6	5	Yes
3.	Mr. Anil Kumar Khemka	6	5	Yes
4.	Mr. Rajiv Kumar Bakshi	6	4	No
5.	Mr. Subhash Chand Ahuja	6	5	No
6.	Mr. Charles Antoine Emmanuel T Janssen*	6	0	No

\* Mr. Charles Antoine Emmanuel T Janssen was appointed as Nominee Director at the Board meeting held on February 28, 2017, which was the last Board meeting held in the F.Y-2016-17

### COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE

During the year 5 (Five) meetings of the Committee were held on July 16, 2016, August 19, 2016, October 13, 2016, December 24, 2016, and February 18, 2017. The Composition and attendance of the Committee for the F.Y. 2016-17 was as follows:

S.No.	Name & Designation	Category of Directorship	No. of meetings	
			Held	Attended
1	Mr. Anil Kumar Khemka (Chairman)	Independent, Non-Executive	5	4
2	Mr. Subhash Chand Ahuja (Member)	Independent, Non-Executive	5	5
3	Dr. Atul Kapoor (Member)	Managing Director	5	4
4	Mr. Rajiv Kumar Bakshi (Member)	Independent, Non-Executive	5	4

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 Section 177 of the Companies Act, 2013.

#### 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, three (3) meetings were held viz; July 16, 2016, October 13, 2016, and February 28, 2017. The constitution and attendance of the Committee for the F.Y. 2016-17 was as under :

S.No.	Name & Designation	Nature of Directorship in the Company	Total meeting held during the tenure of the member	Meetings attended
1	Mr. Anil Kumar Khemka (Chairman)	Independent, Non-Executive	3	2
2	Dr. Atul Kapoor	Managing Director	3	3
3	Dr. Rashmi Kapoor	Executive Director	3	3
4	Mr. Rajiv Kumar Bakshi	Independent, Non-Executive	3	2



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. 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.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Committee comprises of 3 (three) independent directors - Mr. Anil Kumar Khemka, Chairman, Mr. Subhash Chand Ahuja and Mr. Rajiv Kumar Bakshi, are the members of the Committee. During the year, one (1) meeting was held viz: December 24, 2016. The constitution of the Committee attendance for the F.Y. 2016-17 was as under:

S.No.	Name of Members	Nature of Directorship In the Company	Total meetings held during the tenure of the member	Meetings attended
1	Mr. Anil Kumar Khemka (Chairman)	Independent, Non-Executive	1	1
2	Mr. Subhash Chand Ahuja (Member)	Independent, Non-Executive	1	1
3	Mr. Rajiv Kumar Bakshi (Member)	Independent, Non-Executive	1	1

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 and Key Managerial Personnel's;
- 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.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility 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. During the year under review, one (1) meeting of the CSR Committee was held on February 28, 2017. All the members of the Committee were present in the meeting held on February 28, 2017

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.

#### **RISK MANAGEMENT POLICY**

The detailed Risk Management Policy of the Company is available under Investor Relation tab at the website of the Company, [www.regencyhealthcare.in](http://www.regencyhealthcare.in)

#### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, 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.

#### **INDEPENDENT DIRECTORS' MEETING**

The Committee comprises of 3 (three) independent directors - Mr. Anil Kumar Khemka (Chairman), Mr. Subhash Chandra Ahuja and Mr. Rajiv Kumar Bakshi, are the members of the Committee. During the year under review, the Independent Directors met on February 18, 2017 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.

Mr. Anil Kumar Khemka (Chairman) and Mr. Subhash Chandra Ahuja were present in the meeting held on February 18, 2017 while leave of absence was granted to Mr. Rajiv Kumar Bakshi, due to his pre-occupied schedule.

#### **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, 2017, 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.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Particulars of Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 forms part of the Notes to Financial Statements provided in this Annual Report.

#### **PUBLIC DEPOSITS**

During the year under review, your Company has not invited or accepted any deposits from the public, pursuant to the provisions of Section 73 of the Companies Act, 2013 read with Companies Acceptance of Deposit) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as of the date of Balance Sheet.

#### **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. Disclosures as required under Section 134(3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, are given in Annexure B in Form AOC-2 as specified under Companies Act, 2013.

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. This Policy was considered and approved by the Board has been uploaded

under Investor Relation tab at the website of the Company, [www.regencyhealthcare.in](http://www.regencyhealthcare.in).

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details of employee as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a. Information as required by the provisions of Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding particulars of employees drawing Rs.1,02,00,000/- per annum is **NIL**.
- b. Information as required by the provisions of Rule 5(2)(ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding particulars of employees drawing Rs.8,50,000/- per month is **NIL**.
- c. Information as required by the provisions of Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding particulars of employees drawing remuneration in excess of that drawing by the managing director or whole-time director or manager and hold by himself or along with his/her spouse and dependent children, not less than two per cent., of the equity shares of the company is **NIL**.

Further in terms of the recent amendment made by the Ministry of Corporate Affairs to sub-rule (2) of rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the name of top ten employees in terms of remuneration drawn and other particulars as required under sub-rule (3) of rule 5 are given in Annexure-C and forms part of the report.

#### **MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR 2016-17 AND THE DATE OF THE REPORT**

There are no material changes and commitments affecting the financial position of the company which had occurred between the end of the F.Y 2016-17 and the date of the report.

#### **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, 2017.

#### **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-D to this report.

## **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 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 as Annexure-E. Additionally, the CSR Policy has been uploaded on the website of the Company under Investor Relation tab at the website of the Company, [www.regencyhealthcare.in](http://www.regencyhealthcare.in).

## **NOMINATION POLICY**

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, and independence of director has been uploaded on the website of the Company under Investor Relation tab at the website of the Company, [www.regencyhealthcare.in](http://www.regencyhealthcare.in).

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established a vigil mechanism for Directors and Employees to report their genuine concerns. The policy on Vigil Mechanism and Whistle Blower Policy have been posted on the website of the Company under Investor Relation tab at the website of the Company, [www.regencyhealthcare.in](http://www.regencyhealthcare.in).

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

At the 27th Annual General Meeting of the company held on 30th September, 2016, the company had re-appointed Mr. Subhash Chand Ahuja (DIN No-06968530) as Independent Director of the Company under the Companies Act, 2013 for a further period of One (1) year. His period of office is due to expire in the ensuing Annual General Meeting. As he had completed his tenure for two consecutive periods, he is not eligible to continue as Independent Director of the Company. The Board therefore places its appreciation for the services tendered by him during his tenure with the company.

At the 27th Annual General Meeting of the company held on 30th September, 2016, the company had re-appointed, Mr. Rajiv Kumar Bakshi (DIN No- 00264007) as an Independent Director of the Company for a further period of three years.

All Independent Directors of the Company had given a declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013.

The Board at their meeting held on December 24, 2016 had re-appointed and recommended an increase in the remuneration of Dr. Atul Kapoor, Managing Director and Dr. Rashmi Kapoor, whole-time Director of the Company. The shareholders then at their meeting held on March 24, 2017 confirmed the re-appointment and subsequent increase in the remuneration by way of special resolution for a further period of three years commencing from April 01, 2017.

During the year under review, Mr. Charles Antoine Emmanuel T Janssen was appointed as Nominee Director at the Board meeting held on February 28, 2017.

## **PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

The information as required under sub rule (1) of rule 8 of

Companies (Accounts) Rules, 2014 are as follows:-

HCG Regency Oncology Healthcare Private Limited is an associate Company of Regency Hospital Limited. Its main object is 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.

Regency Nephrocare Private Limited is an associate 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 centers, including providing medicines, drugs and healthcare products, for diagnosis, prevention, cure and treatment of all renal or nephrological diseases.

Regency Lifecare Private Limited incorporated on 17th January, 2014 being wholly owned subsidiary of the company with its main object as to carry on business as stockiest, 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 consolidated financial statements of the Company and its subsidiaries prepared in accordance with applicable accounting standards, issued by the Institute of Chartered Accountants of India, forms part of the Annual Report. In terms of the Section 136 of the Companies Act, 2013, financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company will provide a copy of separate annual accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it and shall also be placed on the website of the Company. These documents will also be made available for inspection till the date of the AGM during business hours at our registered office in Kanpur.

Statement containing the salient features of company's Subsidiaries, Associates and Joint Ventures as required under rule 5 of the Companies (Accounts) Rules, 2014 included in the Consolidated Financial Statements of the Company forms part of the financial statements and is presented in the prescribed format (Form AOC-1) as Annexure-F. The statement also provides the details of performance and financial performance of each of the subsidiaries, associates and joint ventures.

## **AUDITORS' REPORT:**

The Auditors Report for the fiscal 2017 does not contain any qualification, reservation or adverse remark. The Auditors Report is enclosed with the financial statements in this Annual Report.

## **AUDITORS:**

### **Statutory Auditors:**

The existing Statutory Auditors, Walker Chandok & Co LLP, Chartered Accountants, (Firm registration no. 001076N/N500013) had been appointed by the members at the 26th Annual General Meeting for a period of five years to

hold the office of Auditors from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting to be held in the year 2020 subject to ratification by shareholders at each Annual General Meeting. Board has received recommendation from Audit Committee for the ratification of 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 to the effect that they are eligible to continue as Statutory Auditor of the Company.

#### **Cost Auditors:**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its hospital activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Mr. Rishi Mohan Bansal, Cost Auditor, to audit the cost accounts of the Company for the Financial Year 2017-18 at a remuneration of Rs.25,000/- (Rupees Twenty Five Thousand Only) (plus out of pocket expenses and taxes). Board has also received consent letter and eligibility certificate from Mr. Rishi Mohan Bansal to the effect that he is eligible to continue as Cost Auditors of the Company. As required under the Companies Act, 2013, the remuneration payable to the cost auditors is required to be placed before the Members in a general meeting for ratification. Accordingly, a resolution seeking Member's ratification for the remuneration payable to Mr. Rishi Mohan Bansal, Cost Auditors is included in the Notice convening the Annual General Meeting.

#### **Internal Auditors:**

Based upon the recommendation of the Audit Committee, Board of Directors at their meeting held on 16th July, 2016 had appointed M/S VSH & Associates, Chartered Accountants, New Delhi as the Internal Auditor of the Company for a period of two years commencing from 01st July, 2016 to 30th June, 2018

#### **SECRETARIAL AUDIT**

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, relating to Secretarial Audit are not applicable to the Company during the year under review as the company is no longer a listed entity as on March ending 2016 and consequently Company is not required to obtain Secretarial Audit Report in this regard.

#### **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.

#### **DISCLOSURE UNDER THE SEXUAL HARASSMENT 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

#### **GREEN INITIATIVES**

Electronic copies of the Annual Report 2016-17 and the Notices for the ensuing Annual General Meeting are sent to all members whose addresses are registered with the Company/Depository Participant. For members who have not registered their email addresses, physical copies are sent in the permitted mode. However, they are requested to update their email address with the Company/Depository Participant.

#### **ACKNOWLEDGEMENT**

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  
**Regency Hospital Limited**

d	/ - <b>Dr. Atul Kapoor</b>	/ - <b>Dr. Rashmi Kapoor</b>
Place: Kanpur	(Dr. Atul Kapoor)	(Dr. Rashmi Kapoor)
Date: 25.07.2017	Managing Director	Whole-time Director



**ANNEXURE A**
**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March, 2017**  
[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	U85110UP1987PLC008792
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/Indian Non-Government Company
v	Address of the Registered office & contact details	A-2, Sarvodaya Nagar, Kanpur-208005, U.P, India Ph. No.-0512-3081111
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Ph. No-011-30857575

**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%

**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%	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**
**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	8873045	1510	8874555	94.83%	8895885	4370	8900255	66.18%	(28.65%)
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>8873045</b>	<b>1510</b>	<b>8874555</b>	<b>94.83%</b>	<b>8895885</b>	<b>4370</b>	<b>8900255</b>	<b>66.18%</b>	<b>(28.65%)</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>8873045</b>	<b>1510</b>	<b>8874555</b>	<b>94.83%</b>	<b>8895885</b>	<b>4370</b>	<b>8900255</b>	<b>66.18%</b>	<b>(28.65%)</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	10	510	520	0.00%	10	510	520	0.00%	0.00%
b) Banks/FI	0	52800	52800	0.56%	0	52800	52800	0.39%	(0.17%)
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS*	0	0	0	0	0	2683543	2683543	19.95%	19.95%
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others* (Alternate Investment fund)	0	0	0	0	0	368942	368942	2.74%	2.74%
<b>SUB TOTAL (B)(1):</b>	<b>10</b>	<b>53310</b>	<b>53320</b>	<b>0.56%</b>	<b>10</b>	<b>3105795</b>	<b>3105805</b>	<b>23.09%</b>	<b>22.53%</b>

<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	64879	14890	79769	0.85%	14890	65371	80261	0.60%	(0.25%)
ii) Overseas*	0	0	0	0	0	1036912	1036912	7.71%	7.71%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	113087	230545	343632	3.67%	89575	227095	316670	2.35%	(1.32%)
ii) Individuals shareholders holding nominal share capital above Rs. 2 lakhs	0	0	0	0.00%	0	0	0	0	0.00%
c) Others (specify)									
i) N.R.I- Repatriats and Non-Repatriats	330	0	330	0.00%	300	0	300	0.00%	0.00%
ii) Hindu Undivided Family	6752	310	7062	0.08%	7552	310	7862	0.06%	(0.02%)
iii) Clearing Members	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>SUB TOTAL (B)(2):</b>	<b>185048</b>	<b>245745</b>	<b>430793</b>	<b>4.60%</b>	<b>112317</b>	<b>1329688</b>	<b>1442005</b>	<b>10.72%</b>	<b>6.12%</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>185058</b>	<b>299055</b>	<b>484113</b>	<b>23.71%</b>	<b>112327</b>	<b>4435483</b>	<b>4547810</b>	<b>33.82%</b>	<b>10.11%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>9058103</b>	<b>300565</b>	<b>9358668</b>	<b>100%</b>	<b>9008212</b>	<b>4439853</b>	<b>13448065</b>	<b>100%</b>	<b>0</b>

\*Note- Pending for DEMAT as on 31.03.2017

## ii. Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	8.79%	-	(3.84%)
2	DR. Atul Kapoor	2653276	28.35%	8.12%	2649260	19.70%	5.65%	(8.65%)
3	Arun Kapoor HUF	52272	0.56%	-	52272	0.39%	-	(0.17%)
4	Arun Kapoor	5000	0.05%	-	5000	0.04%	-	(0.02%)
5	Soni Kapoor	649210	6.94%	-	649210	4.83%	-	(2.11%)
6	Anant Ram Kapoor	877543	9.38%	-	886252	6.59%	-	(2.79%)
7	Dr. Rashmi Kapoor	3210023	34.30%	21.78%	3231030	24.03%	15.15%	(10.27%)
8	Abhishek Kapoor	177508	1.90%	-	177508	1.32%	-	(0.58%)
9	Arun Akshat Kapoor HUF	67200	0.72%	-	67200	0.50%	-	(0.22%)
	<b>Total</b>	<b>8874555</b>	<b>94.83%</b>	<b>-</b>	<b>8900255</b>	<b>66.18%</b>	<b>-</b>	<b>(28.64%)</b>

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

SI 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
1	<b>Dr. Atul Kapoor</b> <b>At the beginning of the year</b> 08.04.2016 Purchase through Exit offer 360 no. of shares 22.04.2016 Purchase through Exit offer 4520 no. of shares 29.04.2016 Purchase through Exit offer 30 no. of shares 13.05.2016 Purchase through Exit offer 310 no. of shares 20.05.2016 Purchase through Exit offer 360 no. of shares 27.05.2016 Purchase through Exit offer 30 no. of shares 03.06.2016 Purchase through Exit offer 10 no. of shares 10.06.2016 Purchase through Exit offer 120 no. of shares 17.06.2016 Purchase through Exit offer 200 no. of shares 24.06.2016 Purchase through Exit offer 80 no. of shares 30.06.2016 Purchase through Exit offer 120 no. of shares 08.07.2016 Purchase through Exit offer 564 no. of shares 29.07.2016 Purchase through Exit offer 200 no. of shares 12.08.2016 Purchase through Exit offer 110 no. of shares 26.08.2016 Purchase through Exit offer 520 no. of shares 02.09.2016 Purchase through Exit offer 222 no. of shares 09.09.2016 Purchase through Exit offer 300 no. of shares 23.09.2016 Purchase through Exit offer 170 no. of shares 30.09.2016 Purchase through Exit offer 1285 no. of shares 07.10.2016 Purchase through Exit offer 100 no. of shares 14.10.2016 Purchase through Exit offer 950 no. of shares 21.10.2016 Purchase through Exit offer 894 no. of shares 28.10.2016 Purchase through Exit offer 440 no. of shares 04.11.2016 Purchase through Exit offer 9745 no. of shares 11.11.2016 Purchase through Exit offer 3100 no. of shares 18.11.2016 Purchase through Exit offer 220 no. of shares 25.11.2016 Purchase through Exit offer 350 no. of shares 02.12.2016 Purchase through Exit offer 340 no. of shares	2653276	28.35%	2653636 2658156 2658186 2658496 2658856 2658886 2658896 2659016 2659216 2659296 2659416 2659980 2660180 2660290 2660810 2661032 2661332 2661502 2662787 2662887 2663837 2664731 2665171 2674916 2678016 2678236 2678586 2678926	19.73% 19.77% 19.77% 19.77% 19.77% 19.77% 19.77% 19.77% 19.77% 19.77% 19.77% 19.77% 19.77% 19.78% 19.78% 19.78% 19.78% 19.79% 19.79% 19.79% 19.79% 19.80% 19.80% 19.81% 19.81% 19.82% 19.89% 19.91% 19.92% 19.92% 19.92%



	16.12.2016 (Transfer) Settlement on account of closure of exit offer 29716 no. of shares 31.03.2017 Purchase from open market 50 no. of shares			2649210	19.70%
				2649260	19.70%
	<b>At the end of the year</b>			<b>2649260</b>	<b>19.70%</b>
<b>2</b>	<b>Dr. Rashmi Kapoor</b> <b>At the beginning of the year</b> 16.12.2016-Settlement on account of closure of Exit Offer 21007 no. of shares	<b>3210023</b>	<b>34.30%</b>		
				3231030	24.03%
	<b>At the end of the year</b>			<b>3231030</b>	<b>24.03%</b>
<b>3</b>	<b>Mr. Anant Ram Kapoor</b> <b>At the beginning of the year</b> 16.12.2016- Settlement on account of closure of Exit Offer 8709 no. of shares	<b>877543</b>	<b>9.38%</b>		
				886252	6.59%
	<b>At the end of the year</b>			<b>886252</b>	<b>6.59%</b>
<b>4</b>	<b>Atul Kapoor HUF</b> <b>At the beginning of the year</b> Percentage Change due to increase of Paid Up capital	<b>1182523</b>	<b>12.64%</b>		
				1182523	8.79%
	<b>At the end of the year</b>			<b>1182523</b>	<b>8.79%</b>
<b>5</b>	<b>Arun Kapoor HUF</b> <b>At the beginning of the year</b> Percentage Change due to increase of Paid Up capital	<b>52272</b>	<b>0.56%</b>		
				52272	0.39%
	<b>At the end of the year</b>			<b>52272</b>	<b>0.39%</b>
<b>6</b>	<b>Arun Kapoor</b> <b>At the beginning of the year</b> Percentage Change due to increase of Paid Up capital	<b>5000</b>	<b>0.05%</b>		
				5000	0.04%
	<b>At the end of the year</b>			<b>5000</b>	<b>0.04%</b>
<b>7</b>	<b>Soni Kapoor</b> <b>At the beginning of the year</b> Percentage Change due to increase of Paid Up capital	<b>649210</b>	<b>6.94%</b>		
				649210	4.83%
	<b>At the end of the year</b>			<b>649210</b>	<b>4.83%</b>
<b>8</b>	<b>Abhishek Kapoor</b> <b>At the beginning of the year</b> Percentage Change due to increase of Paid Up capital	<b>177508</b>	<b>1.90%</b>		
				177508	1.32%
	<b>At the end of the year</b>			<b>177508</b>	<b>1.32%</b>
<b>9</b>	<b>Arun Akshat Kapoor HUF</b> <b>At the beginning of the year</b> Percentage Change due to increase of Paid Up capital	<b>67200</b>	<b>0.72%</b>		
				67200	0.50%
	<b>At the end of the year</b>			<b>67200</b>	<b>0.50%</b>

**(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 the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	<b>International Finance Corporation</b> At the beginning of the year By Allotment At the end of the year	0	0	2683543 2683543	19.95% 19.95%
2	<b>Kois Holdings</b> At the beginning of the year By Allotment At the end of the year	0	0	1036912 1036912	7.71% 7.71%
3	<b>Healthquad Fund</b> At the beginning of the year By Allotment At the end of the year	0	0	368942 368942	2.74% 2.74%
4	<b>Industrial Finance Corporation of India</b> At the beginning of the year At the end of the year	52000	0.56%	52000	0.39%
5	<b>Luxmi Township Limited</b> At the beginning of the year At the end of the year	41166	0.44%	41166	0.31%
6	<b>RNK Finance and INV Pvt. Ltd.</b> At the beginning of the year At the end of the year	14430	0.15%	14430	0.11%
7	<b>Master Capital Services Limited</b> At the beginning of the year At the end of the year	12010	0.13%	12010	0.09%
8	<b>Mr. Arvind Champalal Jain</b> At the beginning of the year At the end of the year	9731	0.10%	9731	0.07%
9	<b>Mr. Nirmal Kheria</b> At the beginning of the year At the end of the year	5412	0.06%	5412	0.04%
10	<b>Ms. Priti Kheria</b> At the beginning of the year At the end of the year	5290	0.06%	5290	0.04%

**(v) Shareholding of Directors and Key Managerial Personnel:**

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
1	<b>Dr. Atul Kapoor</b> <b>At the beginning of the year</b> 08.04.2016 Purchase through Exit offer 360 no. of shares 22.04.2016 Purchase through Exit offer 4520 no. of shares 29.04.2016 Purchase through Exit offer 30 no. of shares 13.05.2016 Purchase through Exit offer 310 no. of shares 20.05.2016 Purchase through Exit offer 360 no. of shares 27.05.2016 Purchase through Exit offer 30 no. of shares 03.06.2016 Purchase through Exit offer 10 no. of shares 10.06.2016 Purchase through Exit offer 120 no. of shares 17.06.2016 Purchase through Exit offer 200 no. of shares 24.06.2016 Purchase through Exit offer 80 no. of shares 30.06.2016 Purchase through Exit offer 120 no. of shares 08.07.2016 Purchase through Exit offer 564 no. of shares 29.07.2016 Purchase through Exit offer 200 no. of shares 12.08.2016 Purchase through Exit offer 110 no. of shares 26.08.2016 Purchase through Exit offer 520 no. of shares 02.09.2016 Purchase through Exit offer 222 no. of shares 09.09.2016 Purchase through Exit offer 300 no. of shares 23.09.2016 Purchase through Exit offer 170 no. of shares 30.09.2016 Purchase through Exit offer 1285 no. of shares 07.10.2016 Purchase through Exit offer 100 no. of shares	2653276	28.35%		
				2653636	19.73%
				2658156	19.77%
				2658186	19.77%
				2658496	19.77%
				2658856	19.77%
				2658886	19.77%
				2658896	19.77%
				2659016	19.77%
				2659216	19.77%
				2659296	19.77%
				2659416	19.78%
				2659980	19.78%
				2660180	19.78%
				2660290	19.78%
				2660810	19.79%
				2661032	19.79%
				2661332	19.79%
				2661502	19.79%
				2662787	19.80%
				2662887	19.80%

	14.10.2016 Purchase through Exit offer 950 no. of shares			2663837	19.81%
	21.10.2016 Purchase through Exit offer 894 no. of shares			2664731	19.81%
	28.10.2016 Purchase through Exit offer 440 no. of shares			2665171	19.82%
	04.11.2016 Purchase through Exit offer 9745 no. of shares			2674916	19.89%
	11.11.2016 Purchase through Exit offer 3100 no. of shares			2678016	19.91%
	18.11.2016 Purchase through Exit offer 220 no. of shares			2678236	19.92%
	25.11.2016 Purchase through Exit offer 350 no. of shares			2678586	19.92%
	02.12.2016 Purchase through Exit offer 340 no. of shares			2678926	19.92%
	16.12.2016 (Transfer) Settlement on account of account closure of exit offer 29716 no. of shares			2649210	19.70%
	31.03.2017 Purchase from open market 50 no. of shares			2649260	19.70%
	<b>At the end of the year</b>			<b>2649260</b>	<b>19.70%</b>
<b>2</b>	<b>Dr. Rashmi Kapoor</b>				
	<b>At the beginning of the year</b>	<b>3210023</b>	<b>34.30%</b>		
	16.12.2016-Settlement on account of closure of Exit Offer 21007 no. of shares			3231030	24.03%
	<b>At the end of the year</b>			<b>3231030</b>	<b>24.03%</b>



**V. INDEBTEDNESS**

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

(In Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	659,089,206.39	93,090,339.00	-	752,179,545.39
ii) Interest due but not paid	4,295,751.07	-	-	4,295,751.07
iii) Interest accrued but not due	1,243,977.14	889,991.00	-	2,133,968.14
<b>Total (i+ii+iii)</b>	<b>664,628,934.60</b>	<b>93,980,330.00</b>	<b>-</b>	<b>758,609,264.60</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	377,111,363.00	-	-	377,111,363.00
Reduction	314,241,498.20	82,508,237.45	-	396,749,735.65
<b>Net Change</b>	<b>62,869,864.80</b>	<b>82,508,237.45</b>	<b>-</b>	<b>19,638,372.65</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	721,959,071.19	10,582,101.55	-	732,541,172.74
ii) Interest due but not paid	3,316,341.00	-	-	3,316,341.00
iii) Interest accrued but not due	2,252,560.00	120,080.00	-	2,372,640.00
<b>Total (i+ii+iii)</b>	<b>727,527,972.19</b>	<b>10,702,181.55</b>	<b>-</b>	<b>738,230,153.74</b>

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

(In Rs.)

Sl.No.	Particulars of Remuneration	Name of the MD/MTD/Manager		Amount
		Dr. Atul Kapoor	Dr. Rashmi Kapoor	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	6,600,000.00	6,300,000.00	12,900,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	230,177.00	-	230,177.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			-
2	Stock option	-	-	
3	Sweat Equity	-	-	-
4	Commission as % of profit others (specify)	268,716.00	268,717.00	537,433.00
5	Others, Leave Encashment	159,677.00	152,419.00	312,096.00
	<b>Total (A)</b>	<b>7,258,570.00</b>	<b>6,721,136.00</b>	<b>13,979,706.00</b>
	<b>Ceiling as per the Act</b>	<b>8,400,000.00</b>	<b>8,400,000.00</b>	<b>16,800,000.00</b>

**B. Remuneration to other directors:**

(In Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors</b>	<b>Mr. Anil Kumar Khemka</b>	<b>Mr. Subhash Chand Ahuja</b>	<b>Mr. Rajiv Kumar Bakshi</b>	
	(a) Fee for attending board / committee meetings	70,000.00	75,000.00	60,000.00	205,000.00
	(b) Commission	-	-	-	-
	(c) Others, please specify (Travelling)	-	3,910.00	-	3,910.00
	<b>Total (1)</b>	<b>70,000.00</b>	<b>78,910.00</b>	<b>60,000.00</b>	<b>208,910.00</b>
2	<b>Other Non Executive Directors</b>				
	(a) Fee for attending board / committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>70,000.00</b>	<b>78,910.00</b>	<b>60,000.00</b>	<b>208,910.00</b>

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

(In Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	794,000.00	1,200,162.00	1,994,162.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
5	Others- Bonus and Leave encashment	6,000.00	43,548.00	49,548.00
	<b>Total</b>	<b>800,000.00</b>	<b>1,243,710.00</b>	<b>2,043,710.00</b>

**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	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
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
a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	NIL
c)	Duration of the contracts / arrangements / transactions	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions	NIL
f)	Dates of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

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

Sl. No.	Particulars					
a)	Name(s) of the related party	<b>Dr. Rashmi Kapoor</b>	<b>Dr. Atul Kapoor</b>	<b>Mr. Anant Ram Kapoor</b>	<b>Mrs. Jhanvi Kapoor</b>	<b>Mr. Arun Kapoor</b>
b)	Nature of Relationship	Whole Time Director	Managing Director	Relative of Managing Director	Relative of Managing Director	Relative of Managing Director
c)	Nature of contracts/ arrangements/ transactions	1. Remuneration as office or place of profit 2. Availing Lease service for land 3. Doctors fees 4. Share in Investigation Charges	1. Remuneration as office or place of profit 2. Availing Lease service for land 3. Share in Investigation Charges	1. Remuneration as office or place of profit 2. Availing Lease service for land	Remuneration as office or place of profit	Remuneration as office or place of profit
d)	Duration of approval arrangements/ transactions	One year w.e.f 01.04.2016*	One year w.e.f 01.04.2016	One year w.e.f 01.04.2016	One year w.e.f 01.04.2016	One year w.e.f 01.04.2016
e)	Salient terms of the contract or arrangements or transactions	1. Managerial Remuneration 2. Office Rent for the property situated at 117/H-1/197, Pandu Nagar, Kanpur 3. Doctors fee for patient consultant 4. Availing services for Investigation	1. Managerial Remuneration 2. Office Rent for the property situated at Flat No.718, 7th Floor, Mehegum Maestro, Plot No.21A, Block No. F, Sector-50, Noida 3. Availing services for Investigation	1. Salary for office or place of profit 2. Land Rent for the property situated at A-2, Sarvodaya Nagar, Kanpur*	Salary for office or place of profit	Salary for office or place of profit

f)	Justification for entering into such contracts or arrangements or transactions	At Arms length basis	At Arms length basis	At Arms length basis	At Arms length basis	At Arms length basis
g)	Date(s) of approval by the Board	1. 15.02.2016 & 2, 3 & 4. 16.07.2016	1. 15.02.2016 & 2 & 3. 16.07.2016	15.02.2016 & 16.07.2016	15.02.2016	15.02.2016
h)	Amount incurred during the year (Rs. In Lakhs)	1. Rs. 67,21,136 /- 2. Rs. 39,00,000/- 3. Rs. 92,87,283/- 4. Rs. 36,29,808/-	1. Rs. 72,58,570/- 2. Rs. 9,90,000/- 3. Rs. 3,16,978/-	1. Rs. 1,80,000/- 2. Rs. 69,00,000/-	Rs. 4,20,000/-	Rs. 15,00,000/-

Sl. No.	Particulars						
a)	Name(s) of the related party	<b>Mr. Abhishek Kapoor</b>	<b>Regency Nephrocare Pvt. Ltd.</b>	<b>Regency Lifecare Pvt. Ltd.</b>	<b>HCG Regency Oncology Healthcare Pvt. Ltd.</b>	<b>Matrix Plast Pvt. Ltd.</b>	<b>Matrix Merchandise Trading Pvt. Ltd.</b>
b)	Nature of Relationship	Relative of Managing Director	Associate Company	Wholly-owned Subsidiary Company	Associate Company	Company in which relative of KMP is a Director	Company in which relative of KMP is a Director
c)	Nature of contracts/ arrangements/ transactions	Remuneration as office or place of profit	1. Leasing of Land & Building 2. Renting of Medical equipments 3. Availing Services of kit / package for dialysis 4. Rendering Maintenance Services for Building	1. Sub-Lease of Land & Building	1. Availing of Services 2. Rendering of services 3. Supply of Goods	Sale of Goods	Purchase of Goods
d)	Duration of the Contracts/ arrangements/ transactions	One year w.e.f 01.04.2016	One year w.e.f 01.04.2016	One year w.e.f 01.04.2016	One year w.e.f 01.04.2016	One year w.e.f 01.04.2016	One year w.e.f 01.04.2016
e)	Salient terms of the contract or arrangements or transactions	Salary for office or place of profit	1. Receiving Rent for Leasing of Land & Building situated at Renal, Swaroop Nagar, Kanpur 2. Receiving Rent for supply of Medical equipments 3. Availing Services of kit/package for dialysis 4. Rendering Maintenance services for building at Renal, Swaroop Nagar, Kanpur	1. Sub-Lease of Land & Building at B-5, Sarvodaya Nagar, Kanpur	1. Availing services for treatment of corporate cancer patients. 2. Rendering pathology and radiology services 3. Supply of Pharmacy, Surgical Items, Lines & Cooked Food Items	Sale of Fixed Assets	Purchase of Surgical Items
f)	Justification for entering into such contracts or arrangements or transactions	At Arms length basis	At Arms length basis	At Arms length basis	At Arms length basis	At Arms length basis	At Arms length basis
g)	Date(s) of approval by the Board	15.02.2016	16.07.2016	16.07.2016	18.02.2017	16.07.2016	16.07.2016
h)	Amount incurred during the year (Rs. In Lakhs)	Rs. 30,00,000/-	1. Rs. 39,88,541/- 2. Rs. 16,22,784/- 3. Rs. 5,03,69,488/- 4. Rs. 2,70,180/-	1. Rs. 68,975/-	1. Rs. 1,77,40,579/- 2. Rs. 177,110/- 3. Rs. 11,494,533/-	Rs. 14,175,000/-	Rs. 1,24,950/-

**ANNEXURE-C**

Information required under sub rule (2) & sub rule (3) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name of the Employee	Designation	Remuneration (In Rs.)	Nature of Employment	Qualification	Exp.	Date of Joining	Age	Last Employment held	% of equity shares held	Whether is a relative of any Director or Manager
1	Dr. Atul Kapoor	Managing Director	6,975,251.00	Permanent	MBBS & MS	36 Yrs	8/6/1987	60 Yrs	Since Inception	19.7	Yes
2	Dr. Rashmi Kapoor	Whole-Time Director	6,445,074.00	Permanent	MBBS & MD	36 Yrs	8/6/1987	60 Yrs	Since Inception	24.03	Yes
3	Mr. Abhishek Kapoor	Sr-Vice President-Strategy	3,000,000.00	Permanent	MBA	8 Yrs	3/7/2012	29 Yrs	Davita Inc Denver Colorado, USA	1.32	Yes
4	Mr. Gunjan Kumar	Chief Information Officer	3,000,000.00	Permanent	MBA (IT), BE	18 Yrs	1/2/2014	42 Yrs	I2K2 Networks	NIL	No
5	Ms. Ruby Shrivastava	Anesthetist	2,307,811.00	Permanent	MD (Anesthesia)	15.3 Yrs	1/8/2012	48 Yrs	Private Practice	NIL	No
6	Mr. Sumit Gupta	Physiotherapist	2,102,872.00	Permanent	BPT	14 Yrs	10/11/2003	37 Yrs	First Employment	NIL	No
7	Mr. Shadab Rasool Siddiqui	Technical Supervisor	2,082,400.00	Permanent	Certificate Course in OT	30 Yrs	1/3/1995	59 Yrs	Batra Hospital	NIL	No
8	Mr. Salim Hussain Rizvi	VP Marketing	2,014,992.00	Permanent	B.A, Certificate in Hotel Management	16 Yrs	23/2/2015	50 Yrs	Metro Hospital	NIL	No
9	Dr. Vikas Bhargava	Centre Head (GN)	1,870,000.00	Permanent	BAMS, PG DIPLOMA IN HOSP MANAGEMENT, MBA (Correspondence)	24 Yrs	15/2/2016	49 Yrs	Shubham Hospital	NIL	No
10	Dr. Asha Agarwal	Consultant	1,800,000.00	Permanent	MD (Pathology)	39 Yrs	1/12/2015	63 Yrs	GSVM Medical College	NIL	No

**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:

<p><b>Conservation of Energy :</b></p> <p>(i) the steps taken or impact on conservation of energy</p> <p>(ii) the steps taken by the company for utilizing alternate sources of energy</p> <p>(iii) the capital investment on energy conservation equipment;</p>	<p>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 improved operational techniques.</p>
<p><b>Technology absorption :</b></p> <p>(i) the efforts made towards technology absorption</p> <p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution</p> <p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</p> <p>a. the details of technology imported</p> <p>b. the year of import;</p> <p>c. whether the technology been fully absorbed</p> <p>d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</p> <p>(iv) the expenditure incurred on Research and Development.</p>	<p>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.</p> <p>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.</p> <p>NIL</p> <p>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.</p>
<p><b>(C) Foreign exchange earnings and Outgo</b></p>	<p>The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Notes to the Financial Statements.</p>

**CORPORATE SOCIAL RESPONSIBILITY**

The Company had duly 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, the details of which 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 2016-17  Link: <a href="http://regencyhealthcare.in/wp-content/uploads/Corporate-Social-Responsibility-Policy.pdf">http://regencyhealthcare.in/wp-content/uploads/Corporate-Social-Responsibility-Policy.pdf</a>
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.51,585,900.00
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 Above).	Rs.10,31,718.00
5. Details of CSR spent during the financial year 2016-17 (a) Total amount to be spent for the financial year 2016-17 (b) Amount unspent, if any	Rs.10,31,718.00  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) projector programs wise.	Amount spent ON the projects or programs Sub-heads: 1) Direct on projects or programs- 2) Overheads:	Cumulative Expenditure up to the reporting Period.	Amount spent Direct or through implementing Agency
1.	Promoting Education	Education	Local area / Uttar Pradesh / Kanpur	Rs. 10,31,718	Rs. 10,46,000	Rs. 10,46,000	Implementing Agency*
<b>TOTAL</b>				<b>Rs. 10,31,718</b>	<b>Rs. 10,46,000</b>	<b>Rs. 10,46,000</b>	

\* Implementing Agency is AMRITA CHARITABLE TRUST which has been set up by the Whole-time Director of the Company for promoting education, including special education and employment enhancing vocation skills among children under the guidance of qualified, experienced and professional doctors. AMRITA CHARITABLE TRUST is a non-profit Organization registered under Societies Registration Act, 1860.

- In case the Company has failed to spend the two percent of the average Net Profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in the Board Report- **Not Applicable**
- The Committee ensures that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.



**ANNEXURE-F**
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**
**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl.No	Particulars	Details
1.	Name of the Subsidiary	<b>Regency Lifecare Private Limited</b>
2.	Date since when subsidiary was acquired	Since Incorporation dated 17.01.2014
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2016 to 31/03/2017
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A
5.	Share Capital	100,000
6.	Reserves & Surplus	643,897
7.	Total Assets	19,344,944
8.	Total Liabilities	19,344,944
9.	Investments	0
10.	Turnover	0
11.	Profit / (Loss) before taxation	(1,16,091)
12.	Provision for taxation / Deferred tax	(35,872)
13.	Profit / (Loss) after taxation	(80,219)
14.	Proposed Dividend	0
15.	Extent of shareholding (in percentage)	99.99%

**Notes:**

- Names of subsidiaries which are yet to commence operations - NONE.
- Names of subsidiaries which have been liquidated or sold during the year - NONE

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
 Managing Director  
 DIN- 01449229

Sd/-  
**Rashmi Kapoor**  
 Director  
 DIN- 01818323

Sd/-  
**Rishi Tandon**  
 Company Secretary

Sd/-  
**Deepak Gupta**  
 Chief Financial Officer

Place : Kanpur  
 Date : 25th July 2017

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	HCG Regency Oncology Healthcare Private Limited	Regency Nephrocare Private Limited
<b>1. Latest audited Balance Sheet Date</b>	31.03.2017	31.03.2017
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>		
No. of Shares	11,986,523	14,21,000
Amount of Investment in Associates /Joint Venture	134,951,754	1,42,10,000
Extend of Holding%	49.00%	49%
<b>3. Description of how there is significant influence</b>	Shareholding more than 20% of total voting power of Company	Shareholding more than 20% of total voting power of Company
<b>4. Reason why the associate/joint venture is not consolidated</b>	Not Applicable	Not Applicable
<b>5. Net worth attributable to shareholding as per latest audited Balance Sheet</b>	Rs. 12,84,67,589/-	Rs. 82,70,611/-
<b>6. Profit/Loss for the year</b>		
i. Considered in Consolidation	(Rs. 24,01,243.53)	Rs. 7,74,538/-
ii. Not Considered in Consolidation	Not Applicable	Not Applicable

**Notes:**

- Names of subsidiaries which are yet to commence operations - NONE.
- Names of subsidiaries which have been liquidated or sold during the year - NONE

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Place : Kanpur  
Date : 25th July 2017

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Deepak Gupta**  
Chief Financial Officer

**Independent Auditor's Report**
**To the Members of Regency Hospital Limited**
**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Regency Hospital Limited (the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as the 'Group') and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss 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**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors/management of the Companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the 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.
5. 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 these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9(a) of the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

**Opinion**

8. 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 the other auditors on separate financial statements and on the other financial information of the subsidiary and associates, 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 and its associates as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matter(s)**

9. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 19,344,945 and net assets of ₹ 743,897 as at 31 March 2017, total revenues of ₹ Nil and net cash outflows amounting to ₹ 783 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 1,915,670 for the year ended 31 March 2017, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. The financial statements of such subsidiary and two associates have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associates, is based solely on the reports of the other auditors.  
Further, out of these associates, an associate located in

India whose financial statements and other financial information have been prepared in accordance with the Indian Accounting Standards ("Ind AS") (new set of accounting standards applicable to certain class of companies) specified under Section 133 of the act and which have been audited by other auditors under generally accepted auditing standards applicable in India. The Holding Company's management has converted the financial statements of such associate from Ind AS to Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). Such conversion adjustment has been confirmed by the auditor of the associate Company. Our opinion in so far as it relates to the balances and affairs of such associate is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and confirmed by other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements.

#### **Report on Other Legal and Regulatory Requirements**

10. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information of the subsidiaries, associates and jointly controlled entities, we report, to the extent applicable, that:

- a) We have sought and except for the possible effect(s) of the matter described in paragraph 10(g)(iv) of Report on Other Legal and Regulatory Requirements below, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company and, associate companies covered under the Act, none of the

directors of the Group companies and its associate Companies covered under the Act, are disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

- f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company and associate companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1';
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates :
  - (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in Note 39 to the consolidated financial statements.
  - (ii) the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company and associate companies covered under the Act during the year ended 31 March 2017;
  - (iv) the group has provided disclosures in note 44 to the consolidated financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the books of account maintained by the Company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between specified bank notes and other denomination notes of 'permitted receipts'/'non-permitted receipts' and 'permitted payments'/'non-permitted payments'.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sumit Mahajan

Partner

Membership No.: 504822

Place: Kanpur

Date: 25 July 2017

**Annexure 1 to the Independent Auditor's Report of even date to the members of Regency Hospital Limited, on consolidated financial statements for the year ended 31 March 2017**

**Annexure 1**

**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')**

1. In conjunction with our audit of the consolidated financial statements of Regency Hospital Limited (the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as the 'Group') and its associates as at and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary Company and an associate Company, as at that date.

**Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary Company and an associate Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary Company, and an associate Company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their

operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary Company and an associate Company as aforesaid.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary Company and an associate Company, the Holding Company, its subsidiary Company and an associate Company, have in all material respects, adequate internal

financial controls over financial reporting and such controls were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

9. We did not audit the IFCoFR in so far as it relates a subsidiary Company, whose financial statements reflect total assets of ₹ 19,344,945 and net assets of ₹ 743,945 as at 31 March 2017, total revenues of ₹ Nil and net cash outflows amounting to ₹ 783 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 2,690,208 for the year ended 31 March 2017, in respect of an associate Company, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary Company and an associate Company have been audited by other auditors whose report(s) have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary Companies and an its associate Company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary Company and an associate Company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandlok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per Sumit Mahajan  
Partner  
Membership No.: 504822

Place: Kanpur  
Date: 25 July 2017

**Consolidated Balance Sheet as at 31 March 2017**

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	5	134,480,650	93,586,680
Reserves and surplus	6	1,209,178,512	301,263,527
		<u>1,343,659,162</u>	<u>394,850,207</u>
Minority interest		74	82
<b>Non-current liabilities</b>			
Long-term borrowings	7	563,821,056	505,758,511
Deferred tax liabilities (net)	8	23,139,343	27,804,741
Other long-term liabilities	9	68,536,367	30,559,346
Long-term provisions	10	17,014,419	15,300,824
		<u>672,511,185</u>	<u>579,423,422</u>
<b>Current liabilities</b>			
Short-term borrowings	11	78,236,184	139,626,811
Trade payables	12		
• Dues to micro enterprises and small enterprises		-	-
• Dues to creditors other than micro enterprises and small enterprises		152,319,990	109,246,683
Other current liabilities	13	243,639,459	218,279,397
Short-term provisions	10	7,568,023	6,396,472
		<u>481,763,656</u>	<u>473,549,363</u>
<b>Total</b>		<u><u>2,497,934,077</u></u>	<u><u>1,447,823,074</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	14		
Property, plant and equipment		910,443,888	770,101,554
Capital work-in-progress		129,509,817	30,307,053
Intangible assets under development		4,079,923	3,274,923
Non-current investments	15	140,441,139	89,910,536
Long-term loans and advances	16	123,659,843	136,044,762
Other non-current assets	21	2,897,321	2,351,734
		<u>1,311,031,931</u>	<u>1,031,990,562</u>
<b>Current assets</b>			
Current investments	17	755,207,720	465,000
Inventories	18	52,254,845	48,450,124
Trade receivables	19	323,303,275	265,651,456
Cash and bank balances	20	37,259,620	26,199,057
Short-term loans and advances	16	5,376,551	18,266,122
Other current assets	21	13,500,135	56,800,753
		<u>1,186,902,146</u>	<u>415,832,512</u>
<b>Total</b>		<u><u>2,497,934,077</u></u>	<u><u>1,447,823,074</u></u>

Notes 1 to 45 form an integral part of these consolidated financial statements.  
In term of our report attached

**For Walker Chandiok & Co LLP**  
Chartered Accountants

per **Sumit Mahajan**  
Partner  
M.No-504822

Place : Kanpur  
Date : 25th July 2017

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Sd/-  
**Deepak Gupta**  
Chief Financial Officer



## Consolidated Statement of Profit and Loss for the year ended 31 March 2017

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>REVENUE</b>			
Revenue from operations	22	1,486,860,021	1,322,572,823
Other income	23	16,753,730	20,235,071
<b>Total revenue</b>		<b>1,503,613,751</b>	<b>1,342,807,894</b>
<b>EXPENSES</b>			
Consumption of pharmacy, surgical and kitchen items	24	349,144,519	306,253,790
Employee benefits expense	25	304,650,713	248,467,416
Finance costs	26	83,648,202	111,040,713
Depreciation and amortisation expense	27	56,001,284	51,201,468
Other expenses	28	673,377,711	613,578,876
Other prior period items	29	-	(9,584,600)
<b>Total expenses</b>		<b>1,466,822,429</b>	<b>1,320,957,663</b>
<b>Profit before tax and exceptional items</b>		<b>36,791,322</b>	<b>21,850,231</b>
Exceptional item	30	-	8,559,497
<b>Profit before tax</b>		<b>36,791,322</b>	<b>13,290,734</b>
Tax expense			
• Current tax		17,134,946	6,158,987
• Tax relating to earlier year(s)		1,890,277	1,292,775
• Deferred tax		(4,665,398)	(2,978,066)
• Deferred tax - earlier years		-	3,858,820
• Minimum Alternate Tax (MAT) credit entitlement		-	(548,741)
<b>Profit after tax before minority interest/share of profit/(loss) in associates</b>		<b>22,431,498</b>	<b>5,506,959</b>
Share in (loss)/profit of associates		(1,915,670)	(574,089)
Adjustment of minority interest		8	(72)
<b>Net profit for the year</b>		<b>20,515,836</b>	<b>4,932,798</b>
<b>Earnings per equity share (nominal value ₹ 10)</b>	31		
Basic and diluted		2.11	0.53
Notes 1 to 45 form an integral part of these consolidated financial statements In term of our report attached			

**For Walker Chandiok & Co LLP**  
Chartered Accountants

per **Sumit Mahajan**  
Partner  
M.No-504822

Place : Kanpur  
Date : 25th July 2017

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Sd/-  
**Deepak Gupta**  
Chief Financial Officer

### Consolidated Cash Flow Statement for the year ended 31 March 2017

(All amounts are in rupees, unless otherwise stated)

PARTICULARS	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A Cash flow from operating activities</b>		
Profit before tax	36,791,322	13,290,735
<b>Adjustments for:</b>		
Depreciation expense	56,001,284	51,201,468
Interest expense	83,648,202	110,945,501
Interest income	(412,520)	(270,412)
Depreciation reversal relating to earlier years	-	(17,694,137)
Loss on sale of fixed asset( net)	9,580	8,559,497
Profit on sale of current investments	(9,060)	(819,647)
Provision for doubtful debts	7,445,295	16,376,648
Credit balances written back	(542,191)	(4,214,419)
Bad debts	29,767,713	40,304,813
Security deposit written off	-	3,358,497
Preliminary expenditure written off	29,084	7,271
Pre-operative expenses written off	-	45,877
<b>Operating profit before working capital changes</b>	<b>212,728,709</b>	<b>221,091,691</b>
<b>Adjustments for movement in:</b>		
Increase in trade payables	43,081,067	6,902,880
Increase in provisions and other liabilities	24,952,055	70,680,002
(Increase) in trade receivables	(94,872,588)	(95,206,222)
Decrease/(Increase) in loans and advances and other assets	31,948,191	(41,081,695)
(Increase)/decrease in inventories	(3,804,721)	15,055,882
<b>Cash generated from operations</b>	<b>214,032,712</b>	<b>177,442,538</b>
Less: Taxes paid	(24,615,046)	(25,106,601)
<b>Net cash generated from operating activities</b>	<b>189,417,666</b>	<b>152,335,937</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work-in-progress and movement in creditors for capital goods and capital advances)	(216,683,221)	(171,164,460)
Proceeds from sale of fixed assets	18,059,288	840,004
Interest received	67,579	246,837
Purchase of non-current investments	(52,446,273)	(24,405,491)
Purchase of current investments	(755,382,720)	(42,630,000)
Proceeds from sale of current investments	649,060	55,813,188
Investment in bank deposits (having original maturity of more than three months)	(6,699,348)	-
Redemption of bank deposits (having original maturity of more than three months)	-	112,891
<b>Net cash used in investing activities</b>	<b>(1,012,435,635)</b>	<b>(181,187,031)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	928,293,119	-
Movement in short-term borrowings (net)	(61,390,627)	(373,189)
Proceeds from long-term borrowings	423,480,076	311,168,539
Repayment of long-term borrowings	(381,727,822)	(200,201,613)
Interest paid	(81,275,179)	(116,495,641)
<b>Net cash generated from/(used in) financing activities</b>	<b>827,379,184</b>	<b>(5,901,904)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,361,215</b>	<b>(34,752,998)</b>
Cash and cash equivalents at the beginning of the year	24,931,329	59,684,327
<b>Cash and cash equivalents at the end of the year</b>	<b>29,292,544</b>	<b>24,931,329</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	2,482,852	2,576,128
Cheques in hand	437,425	14,000,000
Balances with banks in current accounts	26,372,266	8,355,201
	<b>29,292,544</b>	<b>24,931,329</b>

**Note:**

The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash Flow Statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

Notes 1 to 45 form an integral part of these consolidated financial statements.  
In term of our report attached

**For Walker Chandiok & Co LLP**  
Chartered Accountants

**per Sumit Mahajan**  
Partner  
M.No-504822

Place : Kanpur  
Date : 25th July 2017

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Deepak Gupta**  
Chief Financial Officer

## 1. Principles of Consolidation

The consolidated financial statements include the financial statements of Regency Hospital Limited ("Regency" or the "Parent Company" or the "Company"), its subsidiaries and associates (collectively referred to as "Group").

The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" referred to in the Companies (Accounting Standard) Rule 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 (the 'Act').

Minority Interest's share of net profit 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.

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.

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" referred to in the Companies (Accounting Standard) Rule 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 (the 'Act').

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

## 2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP), including the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on the accrual basis. The accounting policies have been consistently applied by the group and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve

months for the purpose of current/ non-current classification of its assets and liabilities.

## 3. Use of estimates

The preparation of group financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

## 4. Significant accounting policies

### a. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Revenue from healthcare services and pharmacy sales*

Revenue is recognised as and when the services are rendered / pharmacy items are sold. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer.

Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on the reporting date.

#### *Revenue from academic services*

Revenue is recognised on pro-rata basis on the completion of such services over the duration of the academic program.

#### *Equipment lease rentals and income from rent*

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis.

#### *Interest*

Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.

### b. Inventories

Inventory of medical consumables and drugs, stores and spares are valued at lower of cost and net realisable value. Cost is determined on first in first out basis. Cost of these inventories comprises of all cost of purchase and other costs incurred in bringing the inventories to their present location after adjustment of Value Added Tax, wherever applicable.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### c. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of the acquisition of such investments are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of such long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**d. Fixed assets**

*Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition / sale of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

*Intangible assets*

Software which is not an integral part of the related hardware is classified as an intangible asset.

*Capital work in progress*

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost.

**e. Depreciation**

Depreciation on fixed assets is provided on straight-line method as per the rates prescribed under Schedule II of the Companies Act, 2013.

Depreciation on additions is being provided on pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the period is being provided up to the date on which such assets are sold/disposed off.

Leasehold improvements are amortised over the lease

period.

The Company has adopted the provisions of para 46A of AS 11 "The Effects of Change in Foreign Exchange Rates," accordingly exchange differences arising on reinstatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

**f. 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.

**g. Foreign currency transactions and translations**

i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**h. Borrowing costs:**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost which are not relatable to the qualifying asset are recognized as an expense in the period in which they are incurred. Borrowing cost of specific loans used for acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Other borrowing costs

are recognized as an expense in the period in which they are incurred.

#### **i. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 'Employee Benefits' (Revised 2005) referred to in the Companies (Accounting Standard) Rule 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 (the 'Act').

##### *Provident fund and Employees' state insurance*

Provident fund benefit and Employee State Insurance benefit are defined contribution plans under which the Company pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contribution paid or payable in respect of defined contribution plans is recognized as an expense in the period in which services are rendered by the employee.

##### *Gratuity*

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise.

##### *Leave encashment benefits*

Provision for compensated absences when determined to be short term benefit is made on the basis of Company policy as at the end of the year. Provision related to short term compensated absences of employees is provided on actual basis.

##### *Other short term benefits*

Expense in respect of other short term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

#### **j. Segment Reporting**

##### *Business segments*

Segments have been identified and reported based on the nature of the products and services, the risks and returns, the organisation structure and the internal financial reporting systems.

##### *Geographical segments*

In terms of geographies, the group sells its products and

services within India and neither identifies nor analyses risk based on different geographical regions.

##### *Other information*

- Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- Revenues and expenses, which relate to the group as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".
- Assets and liabilities, which relate to the group as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

#### **k. Income taxes**

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax, 1961.

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

#### **l. Earnings per share:**

In determining the earnings per share, the Group 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.

#### **m. Leases:**

*Where the group is the lessee*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

*Where the group is the lessor*

Leases in which the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

**n. Contingent liabilities and provisions**

The group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made

*A disclosure is made for a contingent liability when there is a:*

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the group; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate of the obligation cannot be made.

The group does not recognize assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs.

**o. Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank, cash in hand and short-term bank deposits with an original maturity of three months or less.



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*
**5 Share capital**

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	20,000,000	2,00,000,000	11,400,000	114,000,000
	<b>20,000,000</b>	<b>2,00,000,000</b>	<b>11,400,000</b>	<b>114,000,000</b>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10 each	13,448,065	134,480,650	9,358,668	93,586,680
	<b>13,448,065</b>	<b>134,480,650</b>	<b>9,358,668</b>	<b>93,586,680</b>

**(a) Terms and rights attached to all class of shares**

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) The Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.**
**(c) Reconciliation of share capital**

	Number of shares	Amount	Number of shares	Amount
<b>Balance at the beginning of the year</b>	9,358,668	93,586,680	9,358,668	93,586,680
Add : Issued during the year	4,089,397	40,893,970	-	-
<b>Balance at the end of the year</b>	<b>13,448,065</b>	<b>134,480,650</b>	<b>9,358,668</b>	<b>93,586,680</b>

**(d) Shareholders holding more than 5% of the share capital**

	Number	% of shareholding	Number	% of shareholding
Dr. Rashmi Kapoor	3,231,030	24.03%	3,210,023	34.30%
Dr. Atul Kapoor	2,649,260	19.70%	2,653,276	28.35%
Atul Kapoor (HUF)	1,182,523	8.79%	1,182,523	12.64%
Anant Ram Kapoor	886,252	6.59%	877,543	9.38%
Soni Kapoor	649,210	4.83%	649,210	6.94%
International Finance Corporation	2,683,543	19.95%	-	-
Kois Holdings	1,036,912	7.71%	-	-

**6 Reserves and surplus**
**Securities premium reserve**

Balance at the beginning and end of the year	9,971,000	9,971,000
Add: Additions during the year (refer note (a))	887,399,149	-
	<b>897,370,149</b>	<b>9,971,000</b>

**General reserve**

Balance at the beginning and end of the year	118,740,101	118,740,101
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	172,552,426	167,619,628
Add : Transferred from the statement of profit and loss	20,515,836	4,932,798
	<b>193,068,262</b>	<b>172,552,426</b>
Balance at the end of the year	<b>1,209,178,512</b>	<b>301,263,527</b>

**(a) During the year the Company has made private placement of 4,089,397 equity shares to International Finance Corporation, Kois Holdings and Healthquid Fund at an issue price of ₹ 227 per share including securities premium of ₹ 217 per share.**

**7. Long-term borrowings**
**Secured**

Term loan from banks (refer note (a) below)	626,974,602	505,849,211
Vehicle loans from financial institutions (refer note (b) below)	13,171,463	9,953,929
Buyers credit (refer note (c) below)	3,576,822	3,659,255
	<u>643,722,887</u>	<u>519,462,395</u>
Less: Current maturities of long-term borrowings (refer note 13)	83,261,216	86,338,905
	<u><b>560,461,671</b></u>	<u><b>433,123,490</b></u>

**Unsecured**

Term loans from banks (refer note (d) below)	2,378,278	80,533,621
Term loans from financial institutions (refer note (e) below)	8,203,823	12,556,718
	<u>10,582,101</u>	<u>93,090,339</u>
Less: Current maturities of long-term borrowings (refer note 13)	7,222,716	20,455,318
	<u>3,359,385</u>	<u>72,635,021</u>
	<u><b>563,821,056</b></u>	<u><b>505,758,511</b></u>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**

(All amounts are in rupees, unless otherwise stated)

**Terms of repayment and security disclosure for the outstanding long term borrowings (including current maturities of long term borrowings as referred in Note 13)**
**(a) Secured term loans from banks**

Name of bank	As at 31 March 2017	As at 31 March 2016	Repayment terms	Details of security
Bank of Baroda	-	29,846,600	70 Equated Monthly Instalments (EMIs) of ₹ 422,535 per month beginning from 30 April 2016 and thereafter 1 EMI of ₹ 422,550 to be paid on 28 February 2022.	<b>Primary security</b> 1. Exclusive first charge (by way of Equitable Mortgage) over Land and building at plot no 1177/A-2 Sarvodaya Nagar Kanpur. 2. Exclusive first charge (by way of Equitable Mortgage) of property situated at Plot no 117/138 B-2, Sarvodaya Nagar, Kanpur. 3. Exclusive first charge (by way of Equitable Mortgage) of property situated at plot no 117/101, K-Block, Kakadeo, Kanpur. 4. Hypothecation of plant and machiney and other fixed assets
Bank of Baroda	-	9,055,945	60 Equated Monthly Instalments (EMIs) of ₹ 328,333 per month beginning from 30 November 2013 till 30 November 2018.	<b>Collateral security</b> 1. Assignment of policy of LIC for ₹ 0.50 Crore, standing in the name of Promoter /Director. 2. Pledge/ assignment of NSC's/FDR's/LIC policies, standing in the name Directors/guarantor for ₹ 0.03 Crore
Bank of Baroda	-	43,378,449	65 Equated Monthly Instalments (EMIs) out of which, 12 EMIs of ₹ 500,000 per month beginning from 30 April 2015 and next 36 EMIs of ₹ 750,000 beginning from 30 April 2016 and thereafter 17 EMIs of ₹ 1,000,000 till 30 March 2021.	<b>Personal guarantee</b> Personal guarantee of Dr. Atul Kapoor, Dr. Rashmi Kapoor and Mr. Anant Ram Kapoor.
Bank of Baroda	-	4,124,294	60 Equated Monthly Instalments (EMIs) of ₹ 333,333 per month beginning from 01 April 2012 till 31 March 2017.	Secured by way of charge on vehicle financed through the loan facility
Bank of Baroda	-	14,320,538	60 Equated Monthly Instalments (EMIs) of ₹ 616,667 per month beginning from 01 April 2013 till 31 March 2018.	Secured by way of charge on movable plant and machinery, and other fixed assets.
Bank of Baroda	-	1,330,030	Equated Monthly Instalments (EMIs) ranging from ₹ 15,000 per month to Rs 31,665.	Secured by way of charge on vehicle financed through the loan facility
HDFC Bank Limited	17,919,994	20,807,905	06 Equated Monthly Instalments (EMIs) of ₹ 211,614 per month beginning from 20 August 2015 and thereafter 69 EMI of ₹ 427,274 per month till 20 October 2021	Secured by way of charge on movable plant and machinery, and other fixed assets.
Allahabad Bank	-	45,500,000	72 Equated Monthly Instalments (EMIs) of ₹ 632,000 per month beginning from february 2017 and thereafter 1 EMI of ₹ 628,000 to be paid on January 2023.	1. Secured by way of Exclusive charge by way of hypothecation on the Fixed Assets financed by this loan facility i.e; high end 128 slice CT scan Machine. 2. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Oriental Bank of Commerce	-	348,509	56 Equated Monthly Instalments (EMIs) of ₹ 12,098 per month beginning from 28 February 2014 till 30 September 2018.	Secured by way of charge on vehicle being financed through the term loan facility.
Small Industries Development Bank of India	-	46,756,000	24 Equated Monthly Instalments (EMIs) of ₹ 747,397 per month beginning from 28 March 2013 and 12 EMIs of ₹ 687,000 per month beginning from 30 April 2015 and 12 EMIs of ₹ 917,000 beginning from 30 April 2016 and 12 EMIs of ₹ 1,145,833 beginning from 30 April 2017 and thereafter 11 EMIs of ₹ 1,833,333 till 28 February 2019 and 1 EMI of ₹ 1,837,333 on 31 March 2019.	1. Secured by way of residual charge on all the immovable and movable assets (including current assets and existing finance under the project). 2. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Yes Bank Limited	180,096,871	209,301,769	4 quarterly instalment of ₹ 4867,483 per quarter beginning from 31 December 2014 and 8 quarterly instalment of ₹ 7,301,225 per quarter beginning from 31 December 2015 and 4 quarterly instalment of ₹ 8,518,095 per quarter beginning from 31 December 2017 and 4 quarterly instalment of ₹ 9,734,966 per quarter beginning from 31 December 2018 and 4 quarterly instalment of ₹ 10,851,827 per quarter beginning from 31 December 2019 and thereafter 4 quarterly instalment of ₹ 12,168,708 per quarter till 30 September 2021.	1. Secured by way of equitable mortgage of the land and building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Yes Bank Limited	33,123,477	37,079,173	Duration: 96 Months (including 12 Months Moratorium), 4 quarterly instalment of ₹ 798,156 per quarter beginning from 31 July 2015 and 6 quarterly instalment of ₹ 1,197,234 per quarter. Beginning from 31 July 2016 and 4 quarterly instalment of ₹ 1,396,773 per quarter beginning from 31 July 2018 and 4 quarterly instalment of ₹ 1,596,312 per quarter beginning from 31 July 2019 and 4 quarterly instalment of ₹ 1,620,351 per quarter beginning from 31 July 2020 and thereafter 4 quarterly instalment of ₹ 1,995,390 per quarter till 30 April 2022.	1. Secured by way of equitable mortgage of the Land and Building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Yes Bank Limited	46,000,000	44,000,000	Duration: 84 Months, repayable in 20 quarterly instalment of ₹ 2,000,000 beginning from 30 October 2016 and thereafter 4 quarterly instalment of ₹ 2,500,000 per quarter till 30 July 2022.	1. Secured by way of equitable mortgage of the land and building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. First charge on specific medical equipments 4. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**  
*(All amounts are in rupees, unless otherwise stated)*

**Terms of repayment and security disclosure for the outstanding long term borrowings (including current maturities of long term borrowings as referred in Note 13)**

**(a) Secured term loans from banks (contd.)**

Name of bank	As at 31 March 2017	As at 31 March 2016	Terms of repayment	Details of security
Yes Bank Limited	97,900,000	-	Duration: 102 Months (including 18 Months Moratorium), 28 quarterly instalment of ₹ 5,085,714 per quarter beginning from 31 March 2018 till 31 March 2025.	1. First and exclusive charge on current assets of South Kanpur Hospital both Present and Future. 2. First and Exclusive charge on fixed Assets (movable & immovable) of Renal Care Centre. 3. Exclusive Charge on Medical Equipment and Movable Fixed Assets of South Kanpur Hospital Both Present and Future. 4. Personal Guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
HDFC Bank Limited	36,858,267	-	36 Equated Monthly Instalment (EMI's) of ₹ 1,400,036, beginning from 1 October 2016 till 1 September 2019.	1. First and exclusive charge on all current assets of Regency Hospital Limited. 2. First and exclusive charge on all present and future fixed assets (movable & immovable) excluding assets specifically charged to others lender.
HDFC Bank Limited	45,500,000	-	Duration: 96 Months (including 12 Months Moratorium), 84 Equated Monthly Installments of ₹ 762,425 beginning from 1 October 2017 till 1 September 2024.	3. Hypothecation and exclusive charge on plant & machinery & other assets of the company (both current and future) 4. Personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor and Mr. A.R. Kapoor.
HDFC Bank Limited	80,000,000	-	Duration: 102 Months (including 18 Months Moratorium), 84 Equated Monthly Installments of ₹ 1,340,528 beginning from 1 April 2018 till 1 March 2025.	5. Equitable mortgage of residential as well as commercial property as mentioned below: a) 117/A-2 Sarvodya Nagar, Kanpur b) 117/138 B-2 Sarvodya Nagar, Kanpur c) 117/101, K-Block Kakadeo Hospital Kanpur, UP
HDFC Bank Limited	89,575,993	-	102 Equated Monthly Instalment (EMI's) of ₹ 1,383,869, beginning from 5 September 2016 and ending on 5 February 2025.	
	<b>626,974,602</b>	<b>505,849,211</b>		

The above loans carry an interest rate ranging from 10.30% p.a. to 13.40% p.a. (previous year 10.30% p.a. to 16% p.a.)

**(b) Secured vehicle loans from financial institutions**

Name of Financial Institution	As at 31 March 2017	As at 31 March 2016	Terms of Repayment	Details of security
Kotak Mahindra Prime Limited	13,171,463	9,519,765	Equated Monthly Instalments (EMIs) ranging from ₹ 12,555 per month to ₹ 122,850	Secured by way of charge on vehicle financed through the loan facility
	<b>13,171,463</b>	<b>9,519,765</b>		

The above loans carry an interest rate ranging from 8.36% p.a. to 11.68% p.a. (previous year 8.36% p.a. to 12.8% p.a.)

**(c) Buyers credit**

Name of bank	As at 31 March 2017	As at 31 March 2016	Terms of Repayment	Details of security
Yes Bank Limited	1,715,954	1,755,501	Repayable after 1039 Days (Ending on 29 June 2017)	Secured by hypothecation of underlying asset for which the loan has been obtained.
Yes Bank Limited	1,860,868	1,903,754	Repayable after 1075 Days (Ending on 15 June 2017)	Secured by hypothecation of underlying asset for which the loan has been obtained.
	<b>3,576,822</b>	<b>3,659,255</b>		

The above loans carry an interest rate ranging from 3.56% p.a. to 3.70% p.a. (previous year 3.56% p.a. to 3.70% p.a.)

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**  
*(All amounts are in rupees, unless otherwise stated)*

**(d) Unsecured loans from bank**

Name of bank	As at 31 March 2017	As at 31 March 2016	Terms of repayment
Kotak Mahindra Bank Limited 194,899 per month beginning	753,808	2,785,826	24 Equated Monthly Instalments (EMIs) of ₹ 194,899 per month beginning from 10 August 2015 till 10 July 2017
Kotak Mahindra Bank Limited (refer note (1) below)	-	75,000,000	12 Equated Monthly Instalments (EMIs) of ₹ 1,783,562 per month beginning from 15 August 2015 and thereafter 36 EMIs of ₹ 2,825,630 till 15 July 2019.
HDFC Bank Limited	1,624,470	2,747,795	36 Equated Monthly Instalments (EMIs) of ₹ 117,912 per month beginning from 04 July 2015 till 04 June 2018
	<b>2,378,278</b>	<b>80,533,621</b>	

**Note:**

- (1) 2,037,953 equity shares (nominal value ₹ 10) of the Company held by Dr. Rashmi Kapoor and 760,047 equity shares (nominal value ₹ 10) of the Company held by Dr. Atul Kapoor were pledged with the bank in respect of loan obtained.  
(2) The above loans carry an interest rate ranging from 13% p.a to 16.30 % p.a. (previous year 13% p.a to 21% p.a)

**(e) Unsecured loans from financial institutions**

Name of financial institution	As at 31 March 2017	As at 31 March 2016	Terms of repayment
Bajaj Finserv Limited	1,441,288	2,580,878	36 Equated Monthly Instalments (EMIs) of ₹ 121,329 per month beginning from 02 May 2015 till 02 April 2018.
Magma Fincorp Limited	4,559,890	6,170,509	48 Equated Monthly Instalments (EMIs) of ₹ 222,277 per month beginning from 07 May 2015 till 07 April 2019
Tata Capital Financial Services Limited	2,202,645	3,805,331	36 Equated Monthly Instalments (EMIs) of ₹ 174,553 per month beginning from 03 June 2015 till 03 May 2018
	<b>8,203,823</b>	<b>12,556,718</b>	

The above loans carry an interest rate ranging from 15% p.a to 18% p.a. (previous year 15% p.a to 18% p.a.)

**8 Deferred tax liabilities (net)**

**Deferred tax liability**

Impact of timing difference on tangible assets depreciation

Deferred lease rent recoverable

**Deferred tax assets**

Provision for gratuity

Provision for bonus

Provision for doubtful debts

Rent equalisation reserve

Professional charges for raising capital

Loss carried forward for subsequent years

Preliminary expenses to be allowed in subsequent years

	As at 31 March 2017	As at 31 March 2016
Impact of timing difference on tangible assets depreciation	53,463,042	44,551,755
Deferred lease rent recoverable	957,941	767,938
Provision for gratuity	(6,984,379)	(6,178,594)
Provision for bonus	(2,412,103)	(2,110,152)
Provision for doubtful debts	(7,876,249)	(5,414,611)
Rent equalisation reserve	(1,604,334)	(918,905)
Professional charges for raising capital	(12,368,703)	(2,892,690)
Loss carried forward for subsequent years	(29,132)	-
Preliminary expenses to be allowed in subsequent years	(6,740)	-
	<b>23,139,343</b>	<b>27,804,741</b>

**9 Other long-term liabilities**

Rent equalisation reserve

Creditor for fixed assets

Deposit from employees

Rent equalisation reserve	5,564,913	3,149,148
Creditor for fixed assets	46,164,895	14,556,896
Deposit from employees	16,806,559	12,853,302
	<b>68,536,367</b>	<b>30,559,346</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**  
*(All amounts are in rupees, unless otherwise stated)*

10 Provisions	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Provision for gratuity (refer note 36)	17,014,419	3,797,121	15,300,824	3,386,512
Provision for compensated absences	-	3,770,902	-	2,686,151
Provision for Income Tax	-	-	-	323,809
	<u>17,014,419</u>	<u>7,568,023</u>	<u>15,300,824</u>	<u>6,396,472</u>
<b>11 Short-term borrowings</b>				
Working capital borrowings from banks (refer note below)		78,236,184		139,626,811
		<u>78,236,184</u>		<u>139,626,811</u>

Name of Bank	As at 31 March 2017	As at 31 March 2016	Details of security
Yes Bank Limited	19,402,885	9,962,254	1. Secured by way of equitable mortgage of the land and building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. Unconditional and irrevocable personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
HDFC Bank Limited	5,883,299	-	Same as defined in note 7(a).
Bank of Baroda	-	129,664,557	Same as defined in note 7(a).
	<u>78,236,184</u>	<u>139,626,811</u>	

The above loans carry an interest rate ranging from 11.40% p.a. to 12.25% p.a. (previous year 11.55% p.a. to 12.25%)

	As at 31 March 2017	As at 31 March 2016
<b>12 Trade payables</b>		
Dues to micro, small and medium enterprises (refer note a below)	-	-
Dues to others	152,319,990	109,246,683
	<u>152,319,990</u>	<u>109,246,683</u>

- a) Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. This has been relied upon by the auditor.

Principal amount remaining unpaid	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

**13 Other current liabilities**

Current maturities of long-term borrowings	90,483,932	106,794,223
Employee related payables	29,021,048	24,124,588
Consultant fee payable	34,630,391	29,327,762
Consultant fees accrued but not due	3,113,392	3,805,452
Deposit from employees	5,674,124	3,370,565
Other accrued liabilities	10,503,856	12,235,661
Interest accrued and due on borrowings	3,316,341	4,295,751
Interest accrued but not due on borrowings	2,372,640	2,133,968
Advance from customers	16,894,467	10,549,758
Creditor for fixed assets	38,790,384	14,648,368
Statutory dues	8,838,884	6,993,301
	<b><u>243,639,459</u></b>	<b><u>218,279,397</u></b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*
**14. Property, Plant and equipment**

Particulars	Computers	Furniture and fixtures	Office equipment	Vehicles	Electrical equipments	Plant and machinery	Building	Lease hold land	Leasehold improvements	Free hold land	Total
<b>Gross Block</b>											
<b>Balance as at 1 April 2015</b>	<b>6,742,429</b>	<b>26,558,190</b>	<b>5,489,771</b>	<b>20,901,644</b>	<b>28,775,370</b>	<b>401,213,474</b>	<b>352,096,294</b>	<b>46,553,622</b>	<b>9,198,323</b>	<b>56,144,057</b>	<b>953,673,174</b>
Additions	1,545,330	1,886,541	939,154	2,238,596	3,254,102	96,520,372	6,511,750	-	-	-	112,895,845
Disposals	39,500	-	-	-	-	17,668,607	-	-	-	-	17,708,107
Reclassification adjustment [refer note (b) below]	-	-	-	-	5,108,729	(5,108,729)	(3,764,284)	-	3,764,284	-	-
<b>Balance as at 31 March 2016</b>	<b>8,248,259</b>	<b>28,444,731</b>	<b>6,428,925</b>	<b>23,140,240</b>	<b>37,138,201</b>	<b>474,956,510</b>	<b>354,843,760</b>	<b>46,553,622</b>	<b>12,962,607</b>	<b>56,144,057</b>	<b>1,048,860,912</b>
Additions	1,879,765	1,609,065	996,571	12,400,121	5,936,033	88,498,040	3,351,010	63,585,849	36,156,032	-	214,412,486
Disposals	-	-	-	7,790,201	-	36,374,739	-	-	-	-	44,164,940
<b>Balance as at 31 March 2017</b>	<b>10,128,024</b>	<b>30,053,796</b>	<b>7,425,495</b>	<b>27,750,160</b>	<b>43,074,234</b>	<b>527,079,811</b>	<b>358,194,770</b>	<b>110,139,471</b>	<b>49,118,639</b>	<b>56,144,057</b>	<b>1,219,108,457</b>
<b>Accumulated depreciation</b>											
<b>Balance as at 1 April 2015</b>	<b>3,310,398</b>	<b>9,851,665</b>	<b>2,733,954</b>	<b>4,785,354</b>	<b>9,782,201</b>	<b>168,840,230</b>	<b>55,684,306</b>	<b>111,237</b>	<b>681,289</b>	<b>-</b>	<b>253,560,634</b>
Depreciation charge [refer note (c) below]	1,997,270	1,953,457	1,019,741	1,781,223	5,564,867	10,547,603	9,291,318	51,931	1,299,920	-	33,507,330
Depreciation adjustment on account of sale	(5,449)	-	-	-	-	(8,303,157)	-	-	-	-	(8,308,606)
<b>Balance as at 31 March 2016</b>	<b>5,302,219</b>	<b>11,605,122</b>	<b>3,753,695</b>	<b>6,566,577</b>	<b>15,327,068</b>	<b>169,084,676</b>	<b>64,975,624</b>	<b>163,168</b>	<b>1,981,209</b>	<b>-</b>	<b>278,759,358</b>
Depreciation charge	1,734,893	2,792,470	1,120,775	3,187,170	3,829,732	35,758,717	4,998,362	110,911	2,468,254	-	56,001,284
Depreciation adjustment on account of sale	-	-	-	(2,514,643)	-	(23,581,429)	-	-	-	-	(26,096,072)
<b>Balance as at 31 March 2017</b>	<b>7,037,112</b>	<b>14,397,592</b>	<b>4,874,470</b>	<b>7,239,104</b>	<b>19,156,800</b>	<b>181,261,964</b>	<b>69,973,986</b>	<b>274,079</b>	<b>4,449,463</b>	<b>-</b>	<b>308,664,571</b>
<b>Net block</b>											
<b>Balance as at 31 March 2016</b>	<b>2,946,040</b>	<b>16,839,609</b>	<b>2,675,230</b>	<b>16,573,663</b>	<b>21,811,133</b>	<b>305,871,834</b>	<b>289,868,136</b>	<b>46,390,454</b>	<b>10,981,398</b>	<b>56,144,057</b>	<b>770,101,554</b>
<b>Balance as at 31 March 2017</b>	<b>3,090,912</b>	<b>15,656,204</b>	<b>2,551,026</b>	<b>20,511,056</b>	<b>23,917,434</b>	<b>345,817,847</b>	<b>288,220,784</b>	<b>109,865,392</b>	<b>44,669,176</b>	<b>56,144,057</b>	<b>910,443,888</b>

**Note :**

- The Company has entered into an agreement with Uttar Pradesh Awas and Vikas Parishad, Kanpur for purchase of leasehold land having a lease term of 90 years. The title of the said land shall be transferred in the name of Company upon payment of entire amount of purchase consideration.
- Represents impact of reclassification of assets.
- Depreciation charge for the year ended 31 March 2016 includes reversal of depreciation of ₹ 17,694,137 which relates to prior years (refer note 29).
- Capital work-in-progress amounting to ₹ 129,509,816 (previous year ₹ 30,307,053) includes plant and machinery pending installation and building under construction.
- Intangible assets under development amounting to ₹ 4,079,923 (previous year ₹ 3,274,923) includes Licence fees paid for the installation of SAP and Hospital Management System( HMS) pending installation at Govind Nagar (South Kanpur hospital).



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*
**15 Non-current investments** (valued at cost unless stated otherwise)

	As at 31 March 2017	As at 31 March 2016
<b>Trade investments in equity shares (unquoted)</b>		
<b>Associates</b>		
HCG Regency Oncology Healthcare Private Limited	134,951,754	82,505,481
11,986,523 (previous year 7,218,680) Equity shares of ₹ 10 each fully paid up		
Add: Share in opening reserves	(91,018)	(91,018)
Add: Share in current year loss	(2,690,208)	-
	<u>132,170,528</u>	<u>82,414,463</u>
Regency Nephrocare Private Limited		
1,421,000 (previous year 1,421,000) Equity shares of ₹ 10 each fully paid up	14,210,000	14,210,000
Add: Share in opening reserves	(6,713,927)	(6,139,838)
Add: Share in current year (loss)/profit	774,538	(574,089)
	<u>8,270,611</u>	<u>7,496,073</u>
	<u><b>140,441,139</b></u>	<u><b>89,910,536</b></u>
Aggregate amount of unquoted investments	140,441,139	89,910,536

**16 Loans and advances** (unsecured considered good, unless otherwise stated)

	As at 31 March 2017		As at 31 March 2016	
	Long-term	Short-term	Long-term	Short-term
Capital advances	26,983,919	-	68,970,929	-
Security deposits	35,291,478	-	20,323,923	506,400
Other loans and advances				
Advance to employees	-	1,929,220	-	3,114,492
Advance to others	3,156,661	1,075,726	3,166,838	1,323,073
Advance tax [Net of provision for income tax]	46,636,281	-	32,899,630	-
Advance to suppliers	-	2,371,605	-	4,322,157
Minimum alternate tax credit receivable	11,591,504	-	10,683,442	9,000,000
	<u><b>123,659,843</b></u>	<u><b>5,376,551</b></u>	<u><b>136,044,762</b></u>	<u><b>18,266,122</b></u>
<b>Minimum alternate tax credit entitlement</b>				
Balance at the beginning of the year			19,683,442	19,134,701
Add: Minimum alternate tax credit entitlement created during the year			-	548,741
Less: Minimum alternate tax credit entitlement utilised during the year			8,091,938	-
Balance at the end of the year			<u><b>11,591,504</b></u>	<u><b>19,683,442</b></u>
[including short-term portion of ₹ Nil (previous year ₹ 9,000,000)]				

**17 Current investments**
**Non trade investments** (at lower of cost and fair value, quoted)

Investment in mutual funds (Non trade - Quoted)		
48,536 (Previous year 4,528) units of Birla Sun Life Monthly Investment Plan-Growth	2,025,000	175,000
Nil (Previous year 1,016) units of DSP Black Rock Equity Fund - Regular Plan-Growth	-	25,000
Nil (Previous year 143) units of DSP Black Rock Top 100 Equity Fund Growth	-	20,000
Nil (Previous year 590) units of HDFC Mid Cap Opportunities Fund - Growth	-	20,000
81,239 (Previous year 5,077) units of HDFC MF Monthly Income Plan - LT - Growth	3,182,720	175,000
Nil (Previous year 59) units of HDFC Prudence Fund - Growth.	-	20,000
Nil (Previous year 25) units of HDFC Equity Fund - Growth	-	10,000
Nil (Previous year 68) units of HDFC Top 200 Fund - Growth	-	20,000

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*

224,090 (Previous year Nil) Reliance Money manager fund- Growth	500,000,000	-		
11,104,843 (Previous year Nil) Reliance Regular savings fund debt option-Growth	250,000,000	-		
	<u>755,207,720</u>	<u>465,000</u>		
Aggregate amount of Marker value of quoted investments	759,621,980	490,871		
	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>		
<b>18 Inventories</b> (valued at lower of cost or net realisable value)				
Pharmacy	21,406,037	17,562,393		
Surgical, pathological and kitchen items	28,623,412	29,200,566		
Other miscellaneous consumable items	2,225,396	1,687,165		
	<u>52,254,845</u>	<u>48,450,124</u>		
<b>19 Trade receivables</b>				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, Considered good	158,960,195	109,001,955		
Unsecured, Considered doubtful	16,593,736	9,928,560		
	175,553,931	118,930,515		
Less: Allowances for bad and doubtful debts	16,593,736	9,928,560		
	158,960,195	109,001,955		
Other debts				
Unsecured, considered good	164,343,080	156,649,501		
Unsecured, Considered doubtful	7,228,207	6,448,088		
	171,571,287	163,097,589		
Less : Allowances for bad and doubtful debts	7,228,207	6,448,088		
	164,343,080	156,649,501		
	<u>323,303,275</u>	<u>265,651,456</u>		
<b>20 Cash and bank balances</b>				
Cash and cash equivalents				
Cash in hand	2,482,852	2,576,128		
Balances with banks in current accounts	26,372,267	8,355,201		
Cheques in hand	437,425	14,000,000		
Other bank balances				
Deposits with maturity more than three months but less than twelve months (refer note (i) below)	7,967,076	1,267,728		
	<u>37,259,620</u>	<u>26,199,057</u>		
Note				
(i) Total deposits of ₹ 3,967,076 are pledged with Bank of Baroda and Yes Bank against fund and non fund based limit obtained.				
<b>21 Other current assets</b>				
	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>		
	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>
Prepaid expenses	-	4,445,167	-	3,784,006
Unbilled revenue	-	8,210,027	-	6,827,323
Interest accrued and not due on deposits with banks	-	344,941	-	35,852
Deferred lease rent recoverable	2,897,321	-	2,322,650	-
Other receivables	-	500,000	-	46,153,572
Preliminary expenditure	-	-	29,084	-
	<u>2,897,321</u>	<u>13,500,135</u>	<u>2,351,734</u>	<u>56,800,753</u>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>22 Revenue from operations</b>		
Revenue from		
Healthcare services	1,078,231,597	972,260,565
Pharmacy and surgical sales	395,044,058	337,756,145
Nursing school	13,584,366	12,556,113
	<b>1,486,860,021</b>	<b>1,322,572,823</b>
<b>23 Other income</b>		
Interest income from banks	412,520	270,412
Interest income on income tax refund	1,047,964	-
Other non-operating income	-	-
- Income from leasing	5,891,943	6,061,514
- Income from manpower services	2,265,040	3,807,251
- Sale of food items	1,271,467	1,220,491
- Credit balances written back	542,191	4,214,419
- Miscellaneous income	5,322,605	4,660,984
	<b>16,753,730</b>	<b>20,235,071</b>
<b>24 Consumption of pharmacy, surgical and kitchen items</b>		
Opening stock	46,762,959	62,361,863
Add : Purchases during the year	352,411,009	290,654,886
	<b>399,173,968</b>	<b>353,016,749</b>
Less : Closing stock	50,029,449	46,762,959
	<b>349,144,519</b>	<b>306,253,790</b>
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus	287,045,417	234,416,083
Staff welfare expenses	10,541,160	6,902,536
Gratuity expense (refer note 28 and 36)	2,437,119	3,540,671
Contribution to provident and other defined contribution funds	4,627,017	3,608,126
	<b>304,650,713</b>	<b>248,467,416</b>
<b>26 Finance costs</b>		
Interest expense		
- Term loans	64,519,751	75,614,158
- Vehicle loans	1,286,784	1,646,369
- Working capital facilities	9,980,741	15,746,874
- Others	457,655	3,028,736
Other borrowing cost	7,403,271	15,004,576
	<b>83,648,202</b>	<b>111,040,713</b>
<b>27 Depreciation and amortisation expense</b>		
Depreciation and amortisation expense	56,001,284	51,201,468
	<b>56,001,284</b>	<b>51,201,468</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>28 Other expenses</b>		
Doctor and other professional fees	412,148,902	376,082,854
Power and fuel	53,971,351	45,968,963
Rent (refer note 40)	30,399,316	19,433,006
Provision for doubtful debts	7,445,295	16,376,648
Repairs and maintenance		
- Buildings	4,872,395	6,334,659
- Plant and machinery	18,855,329	14,887,844
- Vehicles	3,526,204	2,727,253
Office maintenance and others	7,148,743	8,461,604
Insurance	2,419,530	2,335,548
Rates and taxes	3,251,807	2,177,197
Advertisement expenses	4,761,276	2,846,015
Printing and stationary	6,614,597	5,554,175
Corporate social responsibility expenses (refer note 43)	1,046,000	1,228,000
Donations	60,000	-
Legal and professional expenses	5,612,270	7,798,382
Remuneration to auditors (refer note 37)	1,655,661	2,581,918
Security expenses	7,120,966	5,888,180
House keeping expenses	31,412,012	27,515,802
Telephone expense	1,753,008	1,625,849
Travelling expense	6,190,220	6,236,079
Security deposit written off	-	3,358,497
Bad debts (refer note (a) below)	29,767,713	40,304,813
Loss on disposal of fixed assets	9,580	-
Other professional charges for raising capital	28,660,476	8,749,025
Miscellaneous expenses	4,675,060	5,106,565
	<b><u>673,377,711</u></b>	<b><u>613,578,876</u></b>

**Note :**

- a) Bad debts expense for the year ended 31 March 2016 includes ₹ 27,768,803 which primarily pertains to receivables outstanding for the period upto 31 March 2015.

**29 Other prior period items**

Adjustments for correction in provision for gratuity (refer note 36)	-	5,498,242
Depreciation reversal (refer note 14)	-	(17,694,137)
Reversal of excess income recognised in previous years	-	300,139
Lease straight lining expense (refer note a below)	-	1,870,468
Expense not recognised in earlier periods (refer note c below)	-	2,281,418
Lease straight lining expense income (refer note b below)	-	(1,567,988)
Excess charged medical service fees	-	(272,742)
	<b><u>-</u></b>	<b><u>(9,584,600)</u></b>

- a. During the previous year(s), Company had recognised rent expense on the actual basis. Adjustment for impact of straight-lining of rent expense as per AS-19 "Leases" had been made in the financial statements.
- b. During the previous year(s), Company had recognised rent income on the actual basis. Adjustment for impact of straight-lining of rent income as per AS-19 "Leases" had been made in the financial statements.
- c. During the previous year the Company has recognised expenses relating to printing and postage charges incurred during the previous years.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**  
*(All amounts are in rupees, unless otherwise stated)*

**30 Exceptional item**

Loss on sale of assets (net)	-	8,559,497
	<u>-</u>	<u>8,559,497</u>

During the previous year, the Company had disposed off an angiography machine which was considered to be obsolete. Difference between its net book value as at the date of disposal and the amount fetched on such disposal had been considered as loss on sale.

**31 Earnings per share**

Net profit for the year	20,515,836	4,932,798
Weighted average number of shares outstanding	9,717,190	9,358,668
Basic and diluted earnings per share	2.11	0.53
Nominal value of shares	10	10

- 32 In compliance with Accounting Standard - 21 "Consolidated Financial Statements" and Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" referred to in the Companies (Accounting Standard) Rule 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 (the 'Act'), Regency Hospital Limited ('Regency') has prepared the accompanying consolidated financial statements, which include the financial statements of Regency, its subsidiary and the results of operations of its associates listed below:

- a) Detail of the subsidiaries are as under:

Name of subsidiary	Country of incorporation	Percentage of ownership	
		Current year	Previous year
Regency Lifecare Private Limited	India	99.99%	99.99%

- b) Details of associates are as under:

Name of the associate	Country of incorporation	Percentage of ownership	
		Current year	Previous year
Regency Nephrocare Private Limited	India	49.00%	49.00%
HCG Regency Oncology Healthcare Private Limited	India	49.00%	49.90%

- c) The consolidated financial statements of the Group have been based on a line by line consolidation of statement of profit and loss and balance sheet of Regency and its subsidiary. The effects of inter-company transactions between consolidated companies are eliminated on consolidation. These eliminations have been considered in the consolidated financial statement on the basis of figures provided and certified by the management and the auditors have relied on the same.
- d) In accordance with the applicable provisions of Accounting Standard - 23 on "Accounting for Investments in Associates in Consolidated Financial Statements", equity method of accounting has been followed to incorporate the results of the operations of the associates in the consolidated financial statements.

**33 Segment reporting**

The Group undertakes operates an hospital and institute to conduct courses relating to hospital administration and public health. These services are distinguishable and are not subject to the same risks and returns.

The disclosures as required under accounting standard 17 on geographic segment has not been provided as the Group operates in one geographic area only. Information on the primary business segment is as follows:

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*

Reportable segments	Hospital	Institute	Total 31 March 2017	Hospital	Institute	Total 31 March 2016
<b>Revenue</b>						
Healthcare services	1,078,231,597		1,078,231,597	972,260,566		972,260,565
Pharmacy and surgical sales	395,044,058		395,044,058	337,756,145		337,756,145
Nursing school		13,584,366	13,584,366		12,556,113	12,556,113
Other income	15,293,246		15,293,246	19,964,659		19,964,659
Unallocated			1,460,484			270,412
<b>Total revenue</b>	<b>1,488,568,901</b>	<b>13,584,366</b>	<b>1,503,613,751</b>	<b>1,329,981,369</b>	<b>12,556,113</b>	<b>1,342,807,894</b>
<b>Result</b>						
Segment result	29,495,647	7,490,852	36,986,500	9,284,284	6,317,956	15,602,240
Unallocated corporate expenses			1,655,661			2,581,918
<b>Operating Profit</b>			<b>35,330,839</b>			<b>13,020,322</b>
Other income			1,460,484			270,412
Current tax			17,134,946			6,158,987
Tax relating to earlier year			1,890,277			1,292,775
Deferred tax			(4,665,398)			(2,978,066)
Deferred tax - earlier years			-			3,858,820
Minimum Alternate Tax (MAT) credit entitlement			-			(548,741)
<b>Net (loss)/profit after tax</b>			<b>22,431,498</b>			<b>5,506,959</b>
<b>Other information</b>						
Segment assets	2,339,603,253	100,103,039	2,439,706,292	1,367,372,612	27,867,390	1,395,240,001
Unallocated assets			58,227,785			52,583,072
<b>Total assets</b>			<b>2,497,934,077</b>			<b>1,447,823,074</b>
Segment liabilities	1,054,004,365	77,131,133	1,131,135,499	1,021,193,434	3,974,610	1,025,168,044
Unallocated liabilities			23,139,343			27,804,741
<b>Total liabilities</b>			<b>1,154,274,841</b>			<b>1,052,972,785</b>
<b>Capital expenditure (including capital work in progress and movement in creditors for capital goods and capital advances)</b>	<b>128,081,186</b>	<b>88,602,035</b>	<b>216,683,221</b>	<b>167,867,242</b>	<b>22,295</b>	<b>167,889,537</b>
Unallocated capital expenditure						3,274,923
<b>Depreciation</b>						
On fixed assets	55,426,949	574,335	56,001,284	50,895,834	305,633	51,201,467
<b>Other non-cash adjustments</b>	<b>39,963,042</b>	<b>-</b>	<b>39,963,042</b>	<b>56,542,861</b>	<b>-</b>	<b>56,542,861</b>

**Note for segment reporting**

- Operating profit and net income has not been measured and reported segment wise, as certain cost components have not been allocated to reportable segments. Additionally management's decision on resources and performance are based on revenue by products or services and costs in the aggregate. Some of the assets are not realistically allocable and identifiable as these assets are used interchangeably between reportable segments.
  - Other income has not been measured and reported segment wise as these components are not realistically allocable and identifiable.
  - An unallocated corporate expense includes taxes and finance charges and other unallocable corporate expenses.
  - Unallocated assets include cash and bank balances, other current assets and tax assets.
  - Unallocated liabilities include deferred tax liability, secured loan, unsecured loan and interest accrued but not due on loans.
  - Capital expenditure pertains to additions made to fixed assets during the period including capital advance and capital work in progress.
- Information on operating income, net income, assets and liabilities has not been provided by location of customers as such information is not realistically allocable and identifiable.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**  
*(All amounts are in rupees, unless otherwise stated)*

34 Additional information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries, Joint venture and Associate

S. No		Name of the entity	Net assets As a percentage of consolidated net assets	Amount (₹)	Share in profit/loss As a percentage of consolidated profit or (loss)	Amount (₹)
<b>Parent Company</b>						
1		Regency Hospital Limited	101%	1,351,735,945	110%	22,511,715
<b>Subsidiary</b>						
2		Regency Lifecare Private Limited	0%	743,897	0%	(80,219)
3		<b>Minority interest in all subsidiaries</b>	0%	74	0%	8
<b>Associate (as per equity method)</b>						
4		Regency Nephrocare Private Limited	0%	(5,939,389)	4%	774,538
5		HCG Regency Oncology Healthcare Private Limited	0%	(2,781,226)	-13%	(2,690,208)
<b>Subtotal</b>			<b>100%</b>	<b>1,343,759,301</b>	<b>100%</b>	<b>20,515,836</b>
Less: Effects of inter company eliminations/adjustments			<b>0%</b>	<b>100,139</b>	<b>0%</b>	<b>-</b>
<b>Total</b>			<b>100%</b>	<b>1,343,659,162</b>	<b>100%</b>	<b>20,515,836</b>

**35 Related party disclosures**
**a) Names of related parties and related party relationships**

Relationship	Name
Key Management Personnel (KMP)	1. Dr. Atul Kapoor (Managing Director) 2. Dr. Rashmi Kapoor (Whole Time Director)
Relatives of KMP and relationship	
- Father of Dr. Atul Kapoor	1. Mr. Anant Ram Kapoor
- Brother of Dr. Atul Kapoor	2. Mr. Arun Kapoor
- Son of Dr. Atul Kapoor and Dr Rashmi Kapoor	3. Mr. Abhishek Kapoor
- Wife of Mr. Abhishek Kapoor	4. Mrs. Janhvi Kapoor
Associates	1. HCG Regency Oncology Healthcare Private Limited 2. Regency Nephrocare Private Limited
Enterprises owned or significantly influenced by KMP or their relatives	Matrix Merchandise Private Limited Matrix Merchandise Trading Private Limited Matrix Plast Private Limited Amrita Charitable Trust Dr. Atul Kapoor - Hindu Undivided Family (HUF)

**b) Details of transactions with the related parties during the year in ordinary course of business are as follows:-**

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Lease rent income</b>		
Regency Nephrocare Private Limited		
- from medical equipment	1,622,784	1,352,654
- from building	3,988,541	3,749,832
Amrita Charitable trust		
- from building	204,000	204,000
<b>Maintenance service for building</b>		
- Regency Nephrocare Private Limited	270,180	-
<b>Investment in equity shares (including securities premium)</b>		
- HCG Regency Oncology Healthcare Private Limited	52,446,273	24,405,491
<b>Fee for medical services received</b>		
- Regency Nephrocare Private Limited	50,369,488	41,546,205
- Dr. Rashmi Kapoor	9,287,283	7,550,172
<b>Investigation and medical tests performed for</b>		
- HCG Regency Oncology Healthcare Private Limited	177,110	-
<b>Remuneration</b>		
- Mr. Anant Ram Kapoor	180,000	180,000
- Dr. Atul Kapoor	7,258,570	4,744,487
- Dr. Rashmi Kapoor	6,721,136	4,416,763
- Mr. Arun Kapoor	1,500,000	1,200,000
- Mr. Abhishek Kapoor	3,000,000	1,900,000
- Mrs. Janhvi Kapoor	420,000	300,000



<b>Share in investigation charges</b>		
- Dr. Rashmi Kapoor	3,629,808	6,120,721
- Dr. Atul Kapoor	316,978	814,604
<b>Interest expense</b>		
- Dr. Rashmi Kapoor	-	779,630
- Dr. Atul Kapoor	-	1,999,364
<b>Lease rent expense</b>		
- Anant Ram Kapoor	6,900,000	1,218,268
- Dr. Atul Kapoor	990,000	990,000
- Dr. Rashmi Kapoor	3,900,000	3,900,000
<b>Repayment of loan</b>		
- Dr. Atul Kapoor	-	38,464,090
- Dr. Rashmi Kapoor	-	15,550,000
<b>Advances given</b>		
- Matrix Merchandise Private limited	-	2,500,000
<b>Payments made on behalf of</b>		
- Regency Nephrocare Private Limited	1,422,815	733,127
- Mr. Anant Ram Kapoor	462,170	-
<b>Purchase of surgical items</b>		
- Matrix Merchandise Private limited	124,950	-
<b>Corporate social responsibility expenses</b>		
- Amrita Charitable Trust	1,046,000	1,228,000
<b>Sale of pharmacy and surgical items</b>		
- HCG Regency Oncology Healthcare Private Limited	11,494,533	-
<b>Sale of Fixed assets</b>		
-Matrix Plast Private Limited	14,175,000	-
<b>Revenue claimed on behalf of</b>		
- HCG Regency Oncology Healthcare Private Limited	17,740,579	-
<b>c) Details of outstanding balances of the related parties in ordinary course of business are as follows:-</b>		
	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
<b>Advance given</b>		
- Matrix Merchandise Private limited	-	2,500,000
<b>Payable for medical services received</b>		
- Dr. Rashmi Kapoor	969,361	577,827
- Regency Nephrocare Private Limited	23,925,083	10,544,855
<b>Rent receivable</b>		
- Regency Nephrocare Private Limited	3,452,742	1,596,872

**Receivable for expenses incurred on behalf of**

- Regency Nephrocare Private Limited	437,966	205,027
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**Receivable for sale of pharmacy and surgical items**

- Matrix Merchandise Trading Private Limited	19,150,747	25,650,747
- HCG Regency Oncolgy Healthcare Private limited	11,494,533	-

**Security deposit receivable**

- Dr. Rashmi Kapoor	5,828,290	5,828,290
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**Advance given**

- Mrs. Janhvi Kapoor	117,500	200,000
- Dr. Rashmi Kapoor	359,135	-

**Investments in equity shares**

- Regency Nephrocare Private limited	14,210,000	14,210,000
- HCG Regency Oncolgy Healthcare Private limited	134,951,754	82,505,481
- Regency Life Care Private Limited	99,990	99,990

**Payable for revenue claimed on behalf of**

- HCG Regency Oncolgy Healthcare Private limited	17,740,579	-
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**d) Other arrangements**

Personal guarantee given by Dr. Atul Kapoor and Dr. Rashmi Kapoor for loans the outstanding balance of which is ₹ 687,290,792 (previous year ₹ 623,423,742) obtained by the Company from various banks.

Personal guarantee given by Mr. Anant Ram Kapoor for loans the outstanding balance of which is ₹ 251,934,260 (previous year ₹ 100,725,826) obtained by the Company from various banks.

The Company has given corporate guarantee in respect of borrowings availed by HCG Regency Oncolgy Healthcare Private Limited ₹ 453,000,000 (previous year ₹ 453,000,000), the outstanding balance against which is ₹ 501,478,148 (previous year ₹ 391,209,585).

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016**  
*(All amounts are in rupees, unless otherwise stated)*

**36 Employee benefits expense**

Gratuity has been recognised as defined benefit plan in accordance with accounting standard -15 "Employee benefits" as under:-

**Change in present value of defined benefit obligation**

Present value of defined benefit obligation at the beginning of the year	18,687,336	9,648,423
Adjustments for correction in provision for gratuity for prior year (refer note 29)	-	5,498,242
Current service cost	3,423,441	1,936,895
Interest cost	1,445,409	1,181,440
Actuarial loss	(2,118,816)	422,336
Benefit Payments	(312,915)	-
Present value of defined benefit obligation at the end of the year	<u>21,124,455</u>	<u>18,687,336</u>

**Assets and liabilities recognised in the balance sheet**

Present value of defined benefit obligation	21,124,455	18,687,336
Less: Fair value of plan assets	-	-
Liability recognised in the balance sheet	<u>21,124,455</u>	<u>18,687,336</u>

Recognised under:

- Long-term provision	17,014,419	15,300,824
- Short-term provision	3,797,121	3,386,512
	<u>20,811,540</u>	<u>18,687,336</u>

**Expense recognised in the statement of profit and loss**

Current service cost	3,423,441	1,936,895
Adjustments for correction in provision for gratuity for prior year (refer note 29)	-	5,498,242
Interest cost	1,445,409	1,181,440
Actuarial loss	(2,118,816)	422,336
Total expense	<u>2,750,034</u>	<u>9,038,913</u>

**Actuarial assumptions**

Discount rate	7.10%	7.80%
Long-term rate of compensation increase	10.00%	10.00%
Average remaining life (years)	21.92	23.60

**Demographic assumptions**

Mortality table	Indian Assured Lives Mortality (2006-08) Ult.Modified	Indian Assured Lives Mortality (2006-08) Ult.Modified
Retirement age	58	58
Withdrawal rates	2.00%	2.00%

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Defined benefit obligation	21,124,455	18,687,336	6,062,000	5,331,000	4,269,000
Experience adjustment on plan liabilities	(2,118,816)	422,336	805,586	179,988	1,358,677

**Notes :**

- 1) The discount rate is based on the government bonds yields as at the balance sheet date corresponding to a term of approximately 10 years which is the expected term of defined benefit obligation.
- 2) The estimates of future salary increases has been considered on the basis of inflation rate, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Expenditure recognised in respect of defined contribution plan is as under:**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Employee provident fund paid to the authorities	2,553,722	2,010,642
Employee state insurance paid to the authorities	2,073,295	1,597,484

**37 Remuneration to auditors**
**Payment to auditor:**

- Statutory audit and limited reviews	1,627,250	2,519,000
- Out of pocket expenses	28,411	45,743
* Including Service Tax	<u>1,655,661</u>	<u>2,564,743</u>

**38 Commitments**

- Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): ₹ 51,269,061 (Previous Year ₹ 31,993,059).

**Other commitments**

- (a) The Company has entered into an agreement with a Ratan Housing Development Limited for acquisition of an immovable property on lease in Kanpur the expected date of possession of which was 30 November 2015 however due to delay on account of third party and pending statutory power load certificate from the electricity department the possession of said property has not been obtained as yet. The lease has a tenure of 9 years and carries a average monthly rent of ₹ 1,450,000 with an escalation clause of 15% every 3 years. Company expects to receive the possession of the same by 1 September 2017.
- (b) The Company has entered into an agreement with The Empire for acquisition of an immovable property on lease in Lucknow. The lease has a tenure of 9 years and carries a average a monthly rent of ₹ 2,900,000 per month with an increment of 5% every year on the last paid rent which shall begin upon possession of the said premises. The total amount of capital expenditure remaining unexecuted is ₹ 35,000,000. Company expects to receive the possession of the same by 1 August 2018.

**39 Contingent liabilities and litigations**

	As at 31 March 2017	As at 31 March 2016
Claims against the company not acknowledged as debt (refer note (a) below)	41,395,610	49,762,229
Disputed demand of Customs Department (refer note (b) below)	1,923,000	1,923,000
Bank Guarantee furnished to Director, CGHS and ECHS	3,700,000	1,400,000
Corporate Guarantee (refer note (c) below)	453,000,000	453,000,000
Bonus (refer note (d) below)	3,502,616	3,502,616
Income-taxes (AY 2013-14 and AY 2014-15)	2,028,125	-

**Note**

- (a) Includes total amount of claims under various legal cases alleging medical negligence against the hospital as on 31 March 2017 is ₹ 40,034,379 (previous year ₹ 49,198,229). The Company has taken Professional Indemnity Insurance policy for all cases and basis this professional indemnity policy and historical trend of settlement in this matter management is confident that no liability is likely to devolve on the company.
- (b) The Company had deposited an amount of ₹ 1,923,000 (being 50% of disputed amount of ₹ 3,845,000) under protest with the Commissioner of Custom (Import and general) in accordance with the order dated 05 February 2007 passed by Hon'ble Allahabad high court, which had been written off in the previous financial year (refer note 28).
- (c) The Company has given corporate guarantee in respect of borrowings availed by HCG Regency Oncology Healthcare Private Limited of ₹ 453,000,000 (previous year ₹ 453,000,000), the outstanding balance against which is ₹ 501,478,148 (previous year ₹ 391,209,585).
- (d) The Payment of Bonus (Amendment) Act, 2015 dated 31 December 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by various High Courts and pending disposal of such matter, the Company has not recognised the differential amount of bonus of ₹ 3,502,616 for the period 1 April 2014 to 31 March 2015 and accordingly has recognised the expense in accordance with the Payment of Bonus (Amendment) Act, 2015 w.e.f. 1 April 2015 and onwards.
- (e) Interest and claims by customers, suppliers, lenders and employees may be payable as and when the outcome of the related matters are finally determined and hence have not been included above. Management based on legal advice and historical trends, believes that no material liability will devolve on the Company in respect of these matters.

**40 Operating lease**

The Company has leased some of its premises to third parties under lease agreements that qualifies as an operating lease. Rental income for operating leases for the years ended 31 March 2017 and 31 March 2016 aggregate to ₹ 5,960,918 and ₹ 6,107,239 respectively.

The Company is a lessee under various cancellable and non-cancellable operating leases. Rental expense for operating leases for the years ended 31 March 2017 and 31 March 2016 was ₹ 30,399,316 and ₹ 19,433,006 respectively. The Company has executed non-cancelable operating leases. Expected future minimum lease payments in respect of such leases are as follows:

	As at 31 March 2017	As at 31 March 2016
The minimum lease payments for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	74,783,189	10,957,631
Later than one year but not later than five years	406,090,901	62,539,348
Later than five years	354,698,721	28,530,101
The minimum lease receipts for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	3,554,140	3,554,140
Later than one year but not later than five years	18,659,236	20,620,812
Later than five years	13,608,251	15,015,004

**41 Information pursuant to provisions of paragraph 5 of Part II of Schedule III of the Companies Act, 2013**
**i) Cost of materials consumed**

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Value	Percentage	Value	Percentage
Indigenous	349,144,519	100%	306,253,790	100%
Imported	-	-	-	-
<b>Total</b>	<b>349,144,519</b>	<b>100%</b>	<b>306,253,790</b>	<b>100%</b>

**ii) Expenditure in foreign currency (on accrual basis)**

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	USD	INR	USD	INR
Professional fees	-	-	30,000	2,000,500
Interest expense	8,605	648,190	1,820	125,354
	EURO	INR	EURO	INR
Professional fees	1,247	80,828	-	-

**iii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:**

	For the year ended 31 March 2017		For the year ended 31 March 2016	
	USD	INR	USD	INR
Payable in foreign currency	55,165	3,576,822	55,165	3,659,255

**42 Disclosures pursuant to section 186 of the Companies Act, 2013:**

Particulars	As at 31 March 2017	As at 31 March 2016
<b>a) Investment</b>		
Investment in Associate- HCG Regency Oncology Healthcare Private Limited		
Balance as at the year end	134,951,754	82,505,481
Maximum amount outstanding at any time during the year	134,951,754	82,505,481
<b>b) Guarantee given</b>		
Corporate guarantee - HCG Regency Oncology Healthcare Private Limited		
Balance as at the year end	453,000,000	453,000,000
(Corporate guarantee in respect of borrowings availed by Associate Company (read with note 37))		

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016**

(All amounts are in rupees, unless otherwise stated)

- 43 In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of approx. ₹ 1,046,000 (previous year ₹ 1,228,000) towards CSR activities during the year ended 31 March 2017. The details of amount actually spent by the Company are:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Education	1,046,000	1,228,000

- 44 Disclosure of details of Specified Bank Notes (SBN)\* held and transacted during the period from 8 November 2016 to 30 December 2016 :

	SBNs	Other	Total
<b>Closing cash in hand as on 8 November 2016</b>	7,342,500	43,327	7,385,827
(+) Permitted receipts	1,424,500	61,754,710	63,179,210
(-) Permitted payments	-	7,801,966	7,801,966
(-) Amount deposited in banks	8,764,000	52,145,791	60,912,791
(+) Amount withdrawn from bank	-	3,000	3,000
<b>Closing cash in hand as on 30 December 2016</b>	-	1,853,280	1,853,280

\* For the purpose of this note, the term Specified Bank Notes (SBN), shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

\*\* Sale of pharmacy in SBN has been considered as permitted receipts based on notification no. SO 3408 (E) dated 8 November, 2016, SO 3416 (E) dated 9 November, 2016 SO 3445 (E) dated 11 November, 2016, SO 3448 (E) dated 14 November, 2016 and SO 3544 (E) dated 24 November, 2016

- 45 Previous year figures have been regrouped/ rearranged, wherever necessary to conform to current year classification.

**For Walker Chandlok & Co LLP**  
Chartered Accountants

**per Sumit Mahajan**  
Partner  
M.No-504822

Place : Kanpur  
Date : 25th July 2017

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Sd/-  
**Deepak Gupta**  
Chief Financial Officer

### Independent Auditor's Report

#### To the Members of Regency Hospital Limited Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Regency Hospital Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the 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 Standalone Financial Statements

2. 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. 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 these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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

controls 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. An audit also includes evaluating the appropriateness of the 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.

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

#### Opinion

8. 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 31 March 2017, its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure 1, as required by Section 143(3) of the Act, we report that:
  - a. we have sought and, except for the possible effect(s) of the matter described in paragraph 10(g)(iv) of Report on Other Legal and Regulatory Requirements below, 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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the standalone financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for



the year ended on that date and our report dated 25th July 2017 as per Annexure 2 expressed unmodified opinion; and

- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in Note 37 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. the Company has provided disclosures in Note 42 to the standalone financial statements regarding holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, the total receipts, total payments and total amount deposited in banks are in accordance with the books of account maintained by the company. However, in the absence of sufficient appropriate audit evidence, we are unable to comment upon the appropriateness of classification between Specified Bank Notes and other denomination notes of 'permitted receipts'/'non-permitted receipts', 'permitted payments'/'non-permitted payments'.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**per Sumit Mahajan**

Partner

Membership No.: 504822

Place : Kanpur

Date : 25th July 2017

**Annexure 1 to the Independent Auditor's Report of even date to the members of Regency Hospital Limited, on standalone financial statements for the year ended 31 March 2017**

**Annexure 1**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year by engaging the external expert and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company except for the following properties :

Nature of property	Total Number of Cases	Whether leasehold /freehold	Gross block as on 31 March 2017	Net block on 31 March 2017	Remarks
Land	1	Leasehold	63,585,849	63,480,765	Refer note 14 to financial statement

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost

**Annexure 1 to the Independent Auditor's Report of even date to the members of Regency Hospital Limited, on standalone financial statements for the year ended 31 March 2017**

records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

**Statement of Disputed Dues**

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom duty	3,845,000	1,923,000	1990-93	Hon'ble Allahabad High Court
The Income Tax Act, 1961	Income-tax	164,040	164,040	Assessment year 2013-14	Commissioner of Income-Tax (Appeals), Kanpur
The Income Tax Act, 1961	Income-tax	1,864,085	-	Assessment year 2013-14	Commissioner of Income-Tax (Appeals), Kanpur

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised were applied for the purposes for which these securities were issued, though idle funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandlok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**per Sumit Mahajan**

Partner

Membership No.: 504822

Place: Kanpur

Date: 25th July 2017

**Annexure 2 to the Independent Auditor's Report of even date to the members of Regency Hospital Limited, on standalone financial statements for the year ended 31 March 2017**

## **Annexure 2**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

1. In conjunction with our audit of the standalone financial statements of Regency Hospital Limited (the "Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

### **Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Notes') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

### **For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**per Sumit Mahajan**

Partner

Membership No.: 504822

Place : Kanpur

Date : 25th July 2017

**Stand Alone Balance Sheet as at 31st March, 2017**

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	5	134,480,650	93,586,680
Reserves and surplus	6	<u>1,217,255,295</u>	<u>307,344,429</u>
		<b>1,351,735,945</b>	<b>400,931,109</b>
<b>Non-current liabilities</b>			
Long-term borrowings	7	563,821,056	505,758,511
Deferred tax liabilities (net)	8	23,175,215	27,804,741
Other long-term liabilities	9	68,536,367	30,559,346
Long-term provisions	10	<u>17,014,419</u>	<u>15,300,824</u>
		<b>672,547,057</b>	<b>579,423,422</b>
<b>Current liabilities</b>			
Short-term borrowings	11	78,236,184	139,626,811
Trade payables	12		
- Dues to micro enterprises and small enterprises		-	-
- Dues to creditors other than micro enterprises and small enterprises		152,319,990	109,238,922
Other current liabilities	13	243,605,034	218,262,222
Short-term provisions	10	<u>7,568,023</u>	<u>6,072,663</u>
		<b>481,729,231</b>	<b>473,200,618</b>
<b>Total</b>		<b>2,506,012,233</b>	<b>1,453,555,149</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>	14		
Property, plant and equipment		910,443,888	770,101,554
Capital work-in-progress		129,509,817	30,307,053
Intangible assets under development		4,079,923	3,274,923
Non-current investments	15	149,261,744	96,815,471
Long-term loans and advances	16	123,748,893	136,188,703
Other non-current assets	21	<u>2,897,321</u>	<u>2,322,650</u>
		<b>1,319,941,586</b>	<b>1,039,010,354</b>
<b>Current assets</b>			
Current investments	17	755,207,720	465,000
Inventories	18	52,254,845	48,450,124
Trade receivables	19	322,531,553	264,424,298
Cash and bank balances	20	37,199,843	26,138,498
Short-term loans and advances	16	5,376,551	18,266,122
Other current assets	21	<u>13,500,135</u>	<u>56,800,753</u>
		<b>1,186,070,647</b>	<b>414,544,795</b>
<b>Total</b>		<b>2,506,012,233</b>	<b>1,453,555,149</b>
Notes 1 to 43 form an integral part of these financial statements. In term of our report attached			

**For Walker Chandiok & Co LLP**  
Chartered Accountants

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

per **Sumit Mahajan**  
Partner  
M.No-504822

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Place : Kanpur  
Date : 25th July 2017

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Deepak Gupta**  
Chief Financial Officer

### Stand Alone Statement of Profit and Loss

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>REVENUE</b>			
Revenue from operations	22	1,486,860,021	1,321,404,102
Other income	23	16,822,705	20,280,796
<b>Total revenue</b>		<b>1,503,682,726</b>	<b>1,341,684,898</b>
<b>EXPENSES</b>			
Consumption of pharmacy, surgical and kitchen items	24	349,144,519	306,253,791
Employee benefits expense	25	304,650,713	248,467,416
Finance costs	26	83,647,819	111,040,564
Depreciation and amortisation expense	27	56,001,284	51,201,467
Other expenses	28	673,330,977	613,503,953
Other prior period items	29	-	(9,584,600)
<b>Total expenses</b>		<b>1,466,775,312</b>	<b>1,320,882,591</b>
<b>Profit before tax and exceptional items</b>		<b>36,907,414</b>	<b>20,802,307</b>
Exceptional item	30	-	8,559,497
<b>Profit before tax</b>		<b>36,907,414</b>	<b>12,242,810</b>
<b>Tax expense</b>			
- Current tax		17,134,946	5,835,178
- Tax relating to earlier year(s)		1,890,277	1,292,775
- Deferred tax		(4,629,526)	(2,978,066)
- Deferred tax - earlier years		-	3,858,820
- Minimum Alternate Tax (MAT) credit entitlement		-	(548,741)
<b>Profit for the year</b>		<b>22,511,717</b>	<b>4,782,844</b>
<b>Earnings per equity share (nominal value ₹ 10)</b>	31		
Basic and diluted		2.32	0.51
Notes 1 to 43 form an integral part of these financial statements. In term of our report attached			

**For Walker Chandiok & Co LLP**  
Chartered Accountants

**per Sumit Mahajan**  
Partner  
M.No-504822

Place : Kanpur  
Date : 25th July 2017

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Deepak Gupta**  
Chief Financial Officer

**Cash Flow Statement for the year ended 31st March, 2017**

(All amounts are in rupees, unless otherwise stated)

<b>PARTICULARS</b>	<b>For the year ended 31 March 2017</b>	<b>For the year ended 31 March 2016</b>
<b>A Cash flow from operating activities</b>		
Profit before tax	36,907,414	12,242,810
<b>Adjustments for:</b>		
Depreciation expense	56,001,284	51,201,467
Interest expense	83,647,819	110,945,501
Interest income	(412,520)	(270,412)
Depreciation reversal relating to earlier years	-	(17,694,137)
Loss on sale of fixed asset( net)	9,580	8,559,497
Profit on sale of current investments	(9,060)	(819,647)
Provision for doubtful debts	7,445,295	16,376,648
Credit balances written back	(542,191)	(4,214,419)
Bad debts	29,767,713	40,304,813
Security deposit written off	-	3,358,497
<b>Operating profit before working capital changes</b>	<b>212,815,334</b>	<b>219,990,618</b>
<b>Adjustments for movement in:</b>		
Increase in trade payables	43,081,067	6,895,119
Increase in provisions and other liabilities	25,258,613	70,372,723
(Increase) in trade receivables	(95,320,263)	(93,979,063)
Decrease/(Increase) in loans and advances and other assets	32,003,082	(41,181,693)
(Increase)/decrease in inventories	(3,804,721)	15,055,882
<b>Cash generated from operations</b>	<b>214,033,112</b>	<b>177,153,586</b>
Less: Taxes paid	(24,615,046)	(24,782,792)
<b>Net cash generated from operating activities</b>	<b>189,418,065</b>	<b>152,370,794</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work-in-progress and movement in creditors for capital goods and capital advances)	(216,683,222)	(171,164,460)
Proceeds from sale of fixed assets	18,059,288	840,004
Interest received	67,579	246,837
Purchase of non-current investments	(52,446,273)	(24,405,491)
Purchase of current investments	(755,382,720)	(42,630,000)
Proceeds from sale of current investments	649,060	55,813,188
Investment in bank deposits (having original maturity of more than three months)	(6,699,348)	-
Redemption of bank deposits (having original maturity of more than three months)	-	112,891
<b>Net cash used in investing activities</b>	<b>(1,012,435,636)</b>	<b>(181,187,031)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	928,293,119	-
Movement in short-term borrowings (net)	(61,390,627)	(373,189)
Proceeds from long-term borrowings	423,480,076	311,168,539
Repayment of long-term borrowings	(381,727,822)	(200,201,613)
Interest paid	(81,275,179)	(116,495,641)
<b>Net cash generated from/(used in) financing activities</b>	<b>827,379,567</b>	<b>(5,901,904)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,361,997</b>	<b>(34,718,141)</b>
Cash and cash equivalents at the beginning of the year	24,870,770	59,588,911
<b>Cash and cash equivalents at the end of the year</b>	<b>29,232,767</b>	<b>24,870,770</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	2,469,982	2,562,858
Cheques in hand	437,425	14,000,000
Balances with banks in current accounts	26,325,360	8,307,912
	<b>29,232,767</b>	<b>24,870,770</b>

**Note:**

The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 (AS-3) on "Cash Flow Statements" as specified under section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

Notes 1 to 43 form an integral part of these financial statements.

In term of our report attached

**For Walker Chandiok & Co LLP**  
Chartered Accountants

**per Sumit Mahajan**  
Partner  
M.No-504822

Place : Kanpur  
Date : 25th July 2017

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Sd/-  
**Deepak Gupta**  
Chief Financial Officer

## 1. Background of Company

Regency Hospital Limited (the 'Company') is a public limited Company, incorporated on 8 June 1987. The Company provides a wide range of super specialty services in the field of healthcare. The shares of the Company were listed at Bombay Stock Exchange (BSE) and stand delisted with effect from 18 November 2015 on receipt of notice from BSE dated 3 November 2015 in response to Company's application for delisting under Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2015. The Company also operates a nursing college for educating the nurses for serving and providing medical services to the patients.

## 2. Basis of preparation of financial statements

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP), including the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on the accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current/ non-current classification of its assets and liabilities.

## 3. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. The actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

## 4. Significant accounting policies

### a. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Revenue from healthcare services and pharmacy sales*

Revenue recognised as and when the services are rendered / pharmacy items are sold. Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer.

Revenue also includes the value of services rendered pending final billing in respect of in-patients undergoing treatment as on the reporting date.

#### *Revenue from academic services*

Revenue is recognised on pro-rata basis on the completion of such services over the duration of the academic program.

#### *Equipment lease rentals and income from rent*

Revenue is recognised in accordance with the terms of lease agreements entered into with the respective lessees on straight line basis.

#### *Interest*

Interest income is recognised on a time proportion basis taking into account the principal amount outstanding and the rate applicable.

### b. Inventories

Inventory of medical consumables and drugs, stores and spares are valued at lower of cost and net realisable value. Cost is determined on first in first out basis. Cost of these inventories comprises of all cost of purchase and other costs incurred in bringing the inventories to their present location after adjustment of Value Added Tax, wherever applicable.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### c. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of the acquisition of such investments are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of such long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### d. Fixed assets

#### *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance



expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

*Intangible assets*

Software which is not an integral part of the related hardware is classified as an intangible asset.

*Capital work in progress*

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost.

**e. Depreciation**

Depreciation on fixed assets is provided on straight-line method as per the rates prescribed under Schedule II of the Companies Act, 2013.

Depreciation on additions is being provided on pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the period is being provided up to the date on which such assets are sold/disposed off.

Leasehold improvements are amortised over the lease period.

The Company has adopted the provisions of para 46A of AS 11 "The Effects of Change in Foreign Exchange Rates," accordingly exchange differences arising on reinstatement/settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

**f. 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.

**g. Foreign currency transactions and translations**

*Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

*Conversion*

Foreign currency monetary items are reported using the

closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

*Exchange differences*

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**h. Borrowing costs**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing cost which are not relatable to the qualifying asset are recognized as an expense in the period in which they are incurred. Borrowing cost of specific loans used for acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**i. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 'Employee Benefits' (Revised 2005).

*Provident fund and Employees' state insurance*

Provident fund benefit and Employee State Insurance benefit are defined contribution plans under which the Company pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contribution paid or payable in respect of defined contribution plans is recognized as an expense in the period in which services are rendered by the employee.

*Gratuity*

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses arise.

#### *Leave encashment benefits*

Provision for compensated absences when determined to be short term benefit is made on the basis of Company policy as at the end of the year. Provision related to short term compensated absences of employees is provided on actual basis.

#### *Other short term benefits*

Expense in respect of other short term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

### **j. Segment Reporting**

#### *Business segments:*

Segments have been identified and reported based on the nature of the products and services, the risks and returns, the organisation structure and the internal financial reporting systems.

#### *Geographical segments*

In terms of geographies, the Company sells its products and services within India and neither identifies nor analyses risk based on different geographical regions.

#### *Other information*

- Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".
- Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

### **k. Income taxes**

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax, 1961.

Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each balance sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which MAT credit becomes eligible to be recognised as an asset in

accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

### **l. Earnings 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.

### **m. Leases**

#### *Where the Company is the lessee*

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### *Where the Company is the lessor*

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

### **n. Contingent liabilities and provisions**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate of the obligation cannot be made.

### **o. Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank, cash in hand and short-term bank deposits with an original maturity of three months or less.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*
**5 Share capital**

	As at 31 March 2017		As at 31 March 2016	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	20,000,000	2,00,000,000	11,400,000	114,000,000
	<b>20,000,000</b>	<b>2,00,000,000</b>	<b>11,400,000</b>	<b>114,000,000</b>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10 each	13,448,065	134,480,650	9,358,668	93,586,680
	<b>13,448,065</b>	<b>134,480,650</b>	<b>9,358,668</b>	<b>93,586,680</b>

**(a) Terms and rights attached to all class of shares**

The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) The Company has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.**
**(c) Reconciliation of share capital**

	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	9,358,668	93,586,680	9,358,668	93,586,680
Add : Issued during the year	4,089,397	40,893,970	-	-
Balance at the end of the year	<b>13,448,065</b>	<b>134,480,650</b>	<b>9,358,668</b>	<b>93,586,680</b>

**(d) Shareholders holding more than 5% of the share capital**

	Number	% of shareholding	Number	% of shareholding
Dr. Rashmi Kapoor	3,231,030	24.03%	3,210,023	34.30%
Dr. Atul Kapoor	2,649,260	19.70%	2,653,276	28.35%
Atul Kapoor (HUF)	1,182,523	8.79%	1,182,523	12.64%
Anant Ram Kapoor	886,252	6.59%	877,543	9.38%
Soni Kapoor	649,210	4.83%	649,210	6.94%
International Finance Corporation	2,683,543	19.95%	-	-
Kois Holdings	1,036,912	7.71%	-	-

**6 Reserves and surplus**
**Securities premium reserve**

Balance at the beginning and end of the year	9,971,000	9,971,000
Add : Addition during the year (Refer Note (a))	887,399,149	-
	<b>897,370,149</b>	<b>9,971,000</b>

**General reserve**

Balance at the beginning and end of the year	118,740,101	118,740,101
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**Surplus in the statement of profit and loss**

Balance at the beginning of the year	178,633,328	173,850,484
Add : Transferred from the statement of profit and loss	22,511,717	4,782,844
Balance at the end of the year	<b>201,145,045</b>	<b>178,633,328</b>
	<b>1,217,255,295</b>	<b>307,344,429</b>

(a) During the year the company has made private placement of 4,089,397 equity shares to International Finance Corporation, Koils holdings and Healthquad Fund at an issue price of Rs. 227 per share including securities premium of Rs. 217 per share.

**7 Long-term borrowings**
**Secured**

Term loan from banks (refer note (a) below)	626,974,602	505,849,211
Vehicle loans from financial institutions (refer note (b) below)	13,171,463	9,953,929
Buyers Credit (refer note (c) below)	3,576,822	3,659,255
	643,722,887	519,462,395
Less: Current maturities of long term borrowings (refer note 13)	83,261,216	86,338,905
	<b>560,461,671</b>	<b>433,123,490</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*
**Unsecured**

Term Loans from Banks (refer note (d) below)	2,378,278	80,533,621
Term Loans from Financial Institutions (refer note (e) below)	8,203,823	12,556,718
	10,582,101	93,090,339
	7,222,716	20,455,318
	3,359,385	72,635,021
Less: Current maturities of long term borrowings (refer note 13)	<b>563,821,056</b>	<b>505,758,511</b>

**Terms of repayment and security disclosure for the outstanding long term borrowings (including current maturities of long term borrowings as referred in Note 13)**
**(a) Secured term loans from banks**

Name of bank	As at 31 March 2017	As at 31 March 2016	Repayment terms	Details of security
Bank of Baroda	-	29,846,600	70 Equated Monthly Instalments (EMIs) of ₹ 422,535 per month beginning from 30 April 2016 and thereafter 1 EMI of ₹ 422,550 to be paid on 28 February 2022.	<b>Primary security</b> 1. Exclusive first charge (by way of Equitable Mortgage) over Land and building at plot no 117/A-2 Sarvodaya Nagar Kanpur. 2. Exclusive first charge (by way of Equitable Mortgage) of property situated at Plot no 117/138 B-2, Sarvodaya Nagar, Kanpur. 3. Exclusive first charge (by way of Equitable Mortgage) of property situated at plot no 117/101, K-Block, Kakadeo, Kanpur. 4. Hypothecation of plant and machiney and other fixed assets Collateral security 1. Assignment of policy of LIC for ₹ 0.50 Crore, standing in the name of Promoter/Director. 2. Pledge/ assignment of NSC's/FDR's/LIC policies, standing in the name Directors/guarantor for ₹ 0.03 Crore <b>Personal guarantee</b> Personal guarantee of Dr. Atul Kapoor, Dr. Rashmi Kapoor and Mr. Anant Ram Kapoor."
Bank of Baroda	-	9,055,945	60 Equated Monthly Instalments (EMIs) of ₹ 328,333 per month beginning from 30 November 2013 till 30 November 2018.	
Bank of Baroda	-	43,378,449	65 Equated Monthly Instalments (EMIs) out of which, 12 EMIs of ₹ 500,000 per month beginning from 30 April 2015 and next 36 EMIs of ₹ 750,000 beginning from 30 April 2016 and thereafter 17 EMIs of ₹ 1,000,000 till 30 March 2021.	
Bank of Baroda	-	4,124,294	60 Equated Monthly Instalments (EMIs) of ₹ 333,333 per month beginning from 01 April 2012 till 31 March 2017.	
Bank of Baroda	-	14,320,538	60 Equated Monthly Instalments (EMIs) of ₹ 616,667 per month beginning from 01 April 2013 till 31 March 2018.	Secured by way of charge on vehicle financed through the loan facility
Bank of Baroda	-	1,330,030	Equated Monthly Instalments (EMIs) ranging from ₹ 15,000 per month to Rs 31,665.	
HDFC Bank Limited	17,919,994	20,807,905	06 Equated Monthly Instalments (EMIs) of ₹ 211,614 per month beginning from 20 August 2015 and thereafter 69 EMI of ₹ 427,274 per month till 20 October 2021	Secured by way of charge on movable plant and machinery, and other fixed assets.
Allahabad Bank	-	45,500,000	72 Equated Monthly Instalments (EMIs) of ₹ 632,000 per month beginning from february 2017 and thereafter 1 EMI of ₹ 628,000 to be paid on January 2023.	1. Secured by way of Exclusive charge by way of hypothecation on the Fixed Assets financed by this loan facility i.e; high end 128 slice CT scan Machine. 2. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Oriental Bank of Commerce	-	348,509	56 Equated Monthly Instalments (EMIs) of ₹ 12,098 per month beginning from 28 February 2014 till 30 September 2018.	Secured by way of charge on vehicle being financed through the term loan facility.
Small Industries Development Bank of India	-	46,756,000	24 Equated Monthly Instalments (EMIs) of ₹ 747,397 per month beginning from 28 March 2013 and 12 EMIs of ₹ 687,000 per month beginning from 30 April 2015 and 12 EMIs of ₹ 917,000 beginning from 30 April 2016 and 12 EMIs of ₹ 1,145,833 beginning from 30 April 2017 and thereafter 11 EMIs of ₹ 1,833,333 till 28 February 2019 and 1 EMI of ₹ 1,837,333 on 31 March 2019.	1. Secured by way of residual charge on all the immovable and movable assets (including current assets and existing finance under the project). 2. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.

**Terms of repayment and security disclosure for the outstanding long term borrowings (including current maturities of long term borrowings as referred in Note 13)**
**(a) Secured term loans from banks (contd.)**

Name of bank	As at 31 March 2017	As at 31 March 2016	Repayment terms	Details of security
Yes Bank Limited	180,096,871	209,301,769	4 quarterly instalment of ₹ 4867,483 per quarter beginning from 31 December 2014 and 8 quarterly instalment of ₹ 7,301,225 per quarter beginning from 31 December 2015 and 4 quarterly instalment of ₹ 8,518,095 per quarter beginning from 31 December 2017 and 4 quarterly instalment of ₹ 9,734,966 per quarter beginning from 31 December 2018 and 4 quarterly instalment of ₹ 10,851,827 per quarter beginning from 31 December 2019 and thereafter 4 quarterly instalment of ₹ 12,168,708 per quarter till 30 September 2021.	1. Secured by way of equitable mortgage of the land and building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Yes Bank Limited	33,123,477	37,079,173	Duration: 96 Months (including 12 Months Moratorium), 4 quarterly instalment of ₹ 798,156 per quarter beginning from 31 July 2015 and 8 quarterly instalment of ₹ 1,197,234 per quarter. Beginning from 31 July 2016 and 4 quarterly Instalment of ₹ 1,396,773 per quarter beginning from 31 July 2018 and 4 quarterly instalment of ₹ 1,596,312 per quarter beginning from 31 July 2019 and 4 quarterly Instalment of ₹ 1,620,351 per quarter beginning from 31 July 2020 and thereafter 4 quarterly instalment of ₹ 1,995,390 per quarter till 30 April 2022.	1. Secured by way of equitable mortgage of the Land and Building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Yes Bank Limited	46,000,000	44,000,000	Duration: 84 Months, repayable in 20 quarterly instalment of ₹ 2,000,000 beginning from 30 October 2016 and thereafter 4 quarterly instalment of ₹ 2,500,000 per quarter till 30 July 2022.	1. Secured by way of equitable mortgage of the land and building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. First charge on specific medical equipments 4. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Yes Bank Limited	97,900,000	-	Duration: 102 Months (including 18 Months Moratorium), 28 quarterly instalment of ₹ 5,085,714 per quarter beginning from 31 March 2018 till 31 March 2025.	1. First and exclusive charge on current assets of South Kanpur Hospital both Present and Future. 2. First and Exclusive charge on fixed Assets (movable & immovable) of Renal Care Centre. 3. Exclusive Charge on Medical Equipment and Movable Fixed Assets of South Kanpur Hospital Both Present and Future. 4. Personal Guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
HDFC Bank Limited	36,858,267	-	36 Equated Monthly Instalment (EMI's) of ₹ 1,400,036, beginning from 1 October 2016 till 1 September 2019.	1. First and exclusive charge on all current assets of Regency Hospital Limited. 2. First and exclusive charge on all present and future fixed assets (movable & immovable) excluding assets specifically charged to others lender.
HDFC Bank Limited	45,500,000	-	Duration: 96 Months (including 12 Months Moratorium), 84 Equated Monthly Installments of ₹ 762,425 beginning from 1 October 2017 till 1 September 2024.	3. Hypothecation and exclusive charge on plant & machinery & other assets of the company (both current and future) 4. Personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor and Mr. A.R. Kapoor.
HDFC Bank Limited	80,000,000	-	Duration: 102 Months (including 18 Months Moratorium), 84 Equated Monthly Installments of ₹ 1,340,528 beginning from 1 April 2018 till 1 March 2025.	5. Equitable mortgage of residential as well as commercial property as mentioned below: a) 117/A-2 Sarvodya Nagar, Kanpur b) 117/138 B-2 Sarvodya Nagar, Kanpur c) 117/101, K-Block Kakadeo Hospital Kanpur, UP
HDFC Bank Limited	89,575,993	-	102 Equated Monthly Instalment (EMI's) of ₹ 1,383,869, beginning from 5 September 2016 and ending on 5 February 2025.	
	<b>626,974,602</b>	<b>505,849,211</b>		

The above loans carry an interest rate ranging from 10.30% p.a. to 13.40% p.a. (previous year 10.30 p.a. to 16% p.a.)

**(b) Secured vehicle loans from financial institutions**

Name of financial institution	As at 31 March 2017	As at 31 March 2016	Terms of repayment	Details of security
Kotak Mahindra Prime Limited	13,171,463	9,953,929	Equated Monthly Instalments (EMIs) ranging from ₹ 12,555 per month to ₹ 12,2850	Secured by way of charge on vehicle financed through the loan facility
<b>Total</b>	<b>13,171,463</b>	<b>9,953,929</b>		

The above loans carry an interest rate ranging from 8.36% p.a. to 11.68% p.a. (previous year 8.36% p.a. to 12.8% p.a.)

**(c) Buyers credit**

Name of bank	As at 31 March 2017	As at 31 March 2016	Terms of repayment	Details of security
Yes Bank Limited	1,715,954	1,755,501	Repayable after 1039 Days (Ending on 29 June 2017)	Secured by hypothecation of underlying asset for which the loan has been obtained.
Yes Bank Limited	1,860,868	1,903,754	Repayable after 1075 Days (Ending on 15 June 2017)	Secured by hypothecation of underlying asset for which the loan has been obtained.
	<b>3,576,822</b>	<b>3,659,255</b>		

The above loans carry an interest rate ranging from 3.56% p.a. to 3.70% p.a. (previous year 3.56% p.a. to 3.70% p.a.)

**(d) Unsecured loans from bank**

Name of Bank	As at 31 March 2017	As at 31 March 2016	Terms of repayment
Kotak Mahindra Bank Limited	753,808	2,785,826	24 Equated Monthly Instalments (EMIs) of ₹ 194,899 per month beginning from 10 August 2015 till 10 July 2017
Kotak Mahindra Bank Limited (refer note (1) below)	-	75,000,000	12 Equated Monthly Instalments (EMIs) of ₹ 1,783,562 per month beginning from 15 August 2015 and thereafter 36 EMIs of ₹ 2,825,630 till 15 July 2019.
HDFC Bank Limited	1,624,470	2,747,795	36 Equated Monthly Instalments (EMIs) of ₹ 117,912 per month beginning from 04 July 2015 till 04 June 2018
	<b>2,378,278</b>	<b>80,533,621</b>	

Note:

- 2,037,953 equity shares (nominal value ₹ 10) of the Company held by Dr. Rashmi Kapoor and 760,047 equity shares (nominal value ₹ 10) of the Company held by Dr. Atul Kapoor were pledged with the bank in respect of loan obtained.
- The above loans carry an interest rate ranging from 13% p.a to 16.30 % p.a. (previous year 13% p.a to 21% p.a)

**(e) Unsecured loans from financial institutions**

Name of financial institution	As at 31 March 2017	As at 31 March 2016	Terms of repayment
Bajaj Finserv Limited	1,441,288	2,580,878	36 Equated Monthly Instalments (EMIs) of ₹ 121,329 per month beginning from 02 May 2015 till 02 April 2018.
Magma Fincorp Limited	4,559,890	6,170,509	48 Equated Monthly Instalments (EMIs) of ₹ 222,277 per month beginning from 07 May 2015 till 07 April 2019
Tata Capital Financial Services Limited	2,202,645	3,805,331	36 Equated Monthly Instalments (EMIs) of ₹ 174,553 per month beginning from 03 June 2015 till 03 May 2018
	<b>8,203,823</b>	<b>12,556,718</b>	

The above loans carry an interest rate ranging from 15% p.a to 18% p.a. (previous year 15% p.a to 18% p.a.)

	As at 31 March 2017	As at 31 March 2016																											
<b>8 Deferred tax liabilities (net)</b>																													
<b>Deferred tax liability</b>																													
Impact of timing difference on tangible assets depreciation	53,463,042	44,551,755																											
Deferred lease rent recoverable	957,941	767,938																											
<b>Deferred tax assets</b>																													
Provision for gratuity	(6,984,379)	(6,178,594)																											
Provision for bonus	(2,412,103)	(2,110,152)																											
Provision for doubtful debts	(7,876,249)	(5,414,611)																											
Rent equalisation reserve	(1,604,334)	(918,905)																											
Professional charges for raising capital	(12,368,703)	(2,892,690)																											
	<b>23,175,215</b>	<b>27,804,741</b>																											
<b>9 Other long-term liabilities</b>																													
Rent equalisation reserve	5,564,913	3,149,148																											
Creditor for fixed assets	46,164,895	14,556,896																											
Deposit from employees	16,806,559	12,853,302																											
	<b>68,536,367</b>	<b>30,559,346</b>																											
<b>10 Provisions</b>	<table> <tr> <th></th><th style="text-align: right;">As at 31 March 2017</th><th style="text-align: right;">As at 31 March 2016</th></tr> <tr> <td></td><td style="text-align: right;">Long-term</td><td style="text-align: right;">Short-term</td></tr> <tr> <td>Provision for gratuity (refer note 34)</td><td style="text-align: right;">17,014,419</td><td style="text-align: right;">3,797,121</td></tr> <tr> <td>Provision for compensated absences</td><td style="text-align: right;">-</td><td style="text-align: right;">3,770,902</td></tr> <tr> <td></td><td style="text-align: right;"><b>17,014,419</b></td><td style="text-align: right;"><b>7,568,023</b></td></tr> <tr> <td></td><td style="text-align: right;">Long-term</td><td style="text-align: right;">Short-term</td></tr> <tr> <td></td><td style="text-align: right;">15,300,824</td><td style="text-align: right;">3,386,512</td></tr> <tr> <td></td><td style="text-align: right;">-</td><td style="text-align: right;">2,686,151</td></tr> <tr> <td></td><td style="text-align: right;"><b>15,300,824</b></td><td style="text-align: right;"><b>6,072,663</b></td></tr> </table>			As at 31 March 2017	As at 31 March 2016		Long-term	Short-term	Provision for gratuity (refer note 34)	17,014,419	3,797,121	Provision for compensated absences	-	3,770,902		<b>17,014,419</b>	<b>7,568,023</b>		Long-term	Short-term		15,300,824	3,386,512		-	2,686,151		<b>15,300,824</b>	<b>6,072,663</b>
	As at 31 March 2017	As at 31 March 2016																											
	Long-term	Short-term																											
Provision for gratuity (refer note 34)	17,014,419	3,797,121																											
Provision for compensated absences	-	3,770,902																											
	<b>17,014,419</b>	<b>7,568,023</b>																											
	Long-term	Short-term																											
	15,300,824	3,386,512																											
	-	2,686,151																											
	<b>15,300,824</b>	<b>6,072,663</b>																											
<b>11 Short-term borrowings</b>																													
Working capital borrowings from banks (refer note below)	78,236,184	139,626,811																											
	<b>78,236,184</b>	<b>139,626,811</b>																											

Name of Bank	As at 31 March 2017	As at 31 March 2016	Details of security
Yes Bank Limited	19,402,885	9,962,254	1. Secured by way of equitable mortgage of the land and building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. Unconditional and irrevocable personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
HDFC Bank Limited	58,833,299	-	Same as defined in note 7(a).
Bank of Baroda	-	129,664,557	Same as defined in note 7(a).
	<b>78,236,184</b>	<b>139,626,811</b>	

The above loans carry an interest rate ranging from 11.40% p.a. to 12.25% p.a. (previous year 11.55 % p.a. to 12.25%)

**12 Trade payables**

	As at 31 March 2017	As at 31 March 2016
Dues to micro, small and medium enterprises (refer note a below)	-	-
Dues to others	152,319,990	109,238,922
	<b>152,319,990</b>	<b>109,238,922</b>

- a) Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. This has been relied upon by the auditor.

Principal amount remaining unpaid	-	-
Interest due thereon	-	-
Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Interest accrued and remaining unpaid as at end of the year	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

**13 Other current liabilities**

Current maturities of long-term borrowings	90,483,932	106,794,223
Employee related payables	29,021,048	24,124,588
Consultant fee payable	34,630,391	29,327,762
Consultant fees accrued but not due	3,113,392	3,805,452
Deposit from employees	5,674,124	3,370,565
Other accrued liabilities	10,469,431	12,218,486
Interest accrued and due on borrowings	3,316,341	4,295,751
Interest accrued but not due on borrowings	2,372,640	2,133,968
Advance from customers	16,894,467	10,549,758
Creditor for fixed assets	38,790,384	14,648,368
Statutory dues	8,838,884	6,993,301
	<b>243,605,034</b>	<b>218,262,222</b>



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*
**14. Property, plant and equipment**

Particulars	Computers	Furniture and fixtures	Office equipment	Vehicles	Electrical equipments	Plant and machinery	Building	Lease hold land	Leasehold improvements	Free hold land	Total
<b>Gross Block</b>											
Balance as at 1 April 2015	6,742,429	26,558,190	5,489,771	20,901,644	28,775,370	401,213,474	352,096,294	46,553,622	9,196,323	56,144,057	953,673,174
Additions	1,545,330	1,886,541	939,154	2,238,596	3,254,102	96,520,372	6,511,750	-	-	-	112,895,845
Disposals	39,500	-	-	-	-	17,668,607	-	-	-	-	17,708,107
Reclassification adjustment [refer note (b) below]	-	-	-	-	5,108,729	(5,108,729)	(3,764,284)	-	3,764,284	-	-
Balance as at 31 March 2016	8,248,259	28,444,731	6,428,925	23,140,240	37,138,201	474,956,510	354,843,760	46,553,622	12,962,607	56,144,057	1,048,860,912
Additions	1,879,765	1,609,065	996,571	12,400,121	5,936,033	88,498,040	3,351,010	63,585,849	36,156,032	-	214,412,486
Disposals	-	-	-	7,790,201	-	36,374,739	-	-	-	-	44,164,940
Balance as at 31 March 2017	10,128,024	30,053,796	7,425,496	27,750,160	43,074,234	527,079,811	358,194,770	110,139,471	49,118,639	56,144,057	1,219,108,458
<b>Accumulated depreciation</b>											
Balance as at 1 April 2015	3,310,398	9,651,665	2,733,954	4,785,354	9,762,201	166,840,230	55,684,306	111,237	681,289	-	253,560,634
Depreciation charge [refer note (c) below]	1,997,270	1,953,457	1,019,741	1,781,223	5,564,867	10,547,603	9,291,318	51,931	1,299,920	-	33,507,330
Depreciation adjustment on account of sale	(5,449)	-	-	-	-	(8,303,157)	-	-	-	-	(8,308,606)
Balance as at 31 March 2016	5,302,219	11,605,122	3,753,695	6,566,577	15,327,068	169,084,676	64,975,624	163,168	1,981,209	-	278,759,358
Depreciation charge	1,734,893	2,792,470	1,120,775	3,187,170	3,829,732	35,758,717	4,998,362	110,911	2,468,254	-	56,001,284
Depreciation adjustment on account of sale	-	-	-	(2,514,643)	-	(23,581,429)	-	-	-	-	(26,096,072)
Balance as at 31 March 2017	7,037,112	14,397,592	4,874,470	7,239,104	19,156,800	181,261,964	69,973,986	274,079	4,449,463	-	308,664,570
<b>Net block</b>											
Balance as at 31 March 2016	2,946,040	16,839,609	2,675,230	16,573,663	21,811,133	305,871,834	289,868,136	46,390,454	10,981,398	56,144,057	770,101,554
Balance as at 31 March 2017	3,090,912	15,656,204	2,551,026	20,511,056	23,917,434	345,817,847	288,220,784	109,865,392	44,669,176	56,144,057	910,443,888

**Note:**

- The Company has entered into an agreement with Uttar Pradesh Awas and Vikas Parishad, Kanpur for purchase of leasehold land having a lease term of 90 years. The title of the said land shall be transferred in the name of Company upon payment of entire amount of purchase consideration.
- Represents impact of reclassification of assets.
- Depreciation charge for the year ended 31 March 2016 includes reversal of depreciation of ₹ 17,694,137 which relates to prior years (refer note 29).
- Capital work-in-progress amounting to ₹ 129,509,817 (previous year ₹ 30,307,053) includes plant and machinery pending installation and building under construction.
- Intangible assets under development amounting to ₹ 4,079,923 (previous year ₹ 3,274,923) includes Licence fees paid for the installation of SAP and Hospital Management System( HMS) pending installation at Govind Nagar (South Kanpur hospital).

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*

<b>15 Non-current investments (valued at cost unless stated otherwise)</b>	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
<b>Trade investments in equity shares (unquoted)</b>		
<b>Subsidiary</b>		
Regency Lifecare Private Limited	99,990	99,990
9,999 (previous year 9,999) Equity shares of ₹ 10 each fully paid up		
<b>Associates</b>		
HCG Regency Oncology Healthcare Private Limited	134,951,754	82,505,481
11,986,523 (previous year 7,218,680) Equity shares of ₹ 10 each fully paid up		
Regency Nephrocare Private Limited		
1,421,000 (previous year 1,421,000) Equity shares of ₹ 10 each fully paid up	14,210,000	14,210,000
	<b>149,261,744</b>	<b>96,815,471</b>
Aggregate amount of unquoted investments	149,261,744	96,815,471

<b>16 Loans and advances (unsecured considered good, unless otherwise stated)</b>	<b>As at 31 March 2017</b>		<b>As at 31 March 2016</b>	
	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>
Capital advances	26,983,919	-	68,970,929	-
Security deposits	35,291,478	-	20,323,923	506,400
Other loans and advances				
Advance to employees	-	1,929,220	-	3,114,492
Advance to others	3,300,602	1,075,726	3,310,779	1,323,073
Advance tax [Net of provision for income tax]	46,581,390	-	32,899,630	-
Advance to suppliers	-	2,371,605	-	4,322,157
Minimum alternate tax credit receivable	11,591,504	-	10,683,442	9,000,000
	<b>123,748,893</b>	<b>5,376,551</b>	<b>136,188,703</b>	<b>18,266,122</b>
<b>Minimum alternate tax credit entitlement</b>				
Balance at the beginning of the year		19,683,442		19,134,701
Add: Minimum alternate tax credit entitlement created during the year		-		548,741
Less: Minimum alternate tax credit entitlement utilised during the year		8,091,938		-
Balance at the end of the year		<b>11,591,504</b>		<b>19,683,442</b>
[including short-term portion of ₹ Nil (previous year ₹ 9,000,000)]				

<b>17 Current investments</b>		
<b>Non trade investments (at lower of cost and fair value, quoted)</b>		
Investment in mutual funds (Non trade - Quoted)		
48,536 (Previous year 4,528) units of Birla Sun Life Monthly Investment Plan - Growth	2,025,000	175,000
Nil (Previous year 1,016) units of DSP Black Rock Equity Fund - Regular Plan - Growth	-	25,000
Nil (Previous year 143) units of DSP Black Rock Top 100 Equity Fund Growth	-	20,000
Nil (Previous year 590) units of HDFC Mid Cap Opportunities Fund - Growth	-	20,000
81,239 (Previous year 5,077) units of HDFC MF Monthly Income Plan - LT - Growth	3,182,720	175,000
Nil (Previous year 59) units of HDFC Prudence Fund - Growth.	-	20,000
Nil (Previous year 25) units of HDFC Equity Fund - Growth	-	10,000
Nil (Previous year 68) units of HDFC Top 200 Fund - Growth	-	20,000
224,090 (Previous year Nil) Reliance Money manager fund- Growth	500,000,000	-
11,104,843 (Previous year Nil) Reliance Regular savings fund debt option- Growth	250,000,000	-
	<b>755,207,720</b>	<b>465,000</b>
Aggregate amount of Market value of quoted investments	759,621,980	490,871

<b>18 Inventories (valued at lower of cost or net realisable value)</b>		
Pharmacy	21,406,037	17,562,393
Surgical, pathological and kitchen items	28,623,412	29,200,566
Other miscellaneous consumable items	2,225,396	1,687,165
	<b>52,254,845</b>	<b>48,450,124</b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*

	As at 31 March 2017	As at 31 March, 2016
<b>19 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	158,188,473	109,001,955
Unsecured, Considered doubtful	16,593,736	9,928,560
	<u>174,782,209</u>	<u>118,930,515</u>
Less: Allowances for bad and doubtful debts	16,593,736	9,928,560
	<u>158,188,473</u>	<u>109,001,955</u>
Other debts		
Unsecured, considered good	164,343,080	155,422,343
Unsecured, Considered doubtful	7,228,207	6,448,088
	<u>171,571,287</u>	<u>161,870,431</u>
Less : Allowances for bad and doubtful debts	7,228,207	6,448,088
	<u>164,343,080</u>	<u>155,422,343</u>
	<b><u>322,531,553</u></b>	<b><u>264,424,298</u></b>

**20 Cash and bank balances**

Cash and cash equivalents		
Cash in hand	2,469,982	2,562,858
Balances with banks in current accounts	26,325,360	8,307,912
Cheques in hand	437,425	14,000,000
Other bank balances		
Deposits with maturity more than three months but less than twelve months (refer note (i) below)	7,967,076	1,267,728
	<b><u>37,199,843</u></b>	<b><u>26,138,498</u></b>

Note

(i) Total deposits of ₹ 3,967,076 are pledged with Bank of Baroda and Yes Bank against fund and non fund based limit obtained.

**21 Other assets**

	As at 31 March 2017		As at 31 March 2016	
	Non-current	Current	Non-current	Current
Prepaid expenses	-	4,445,167	-	3,784,006
Unbilled revenue	-	8,210,027	-	6,827,323
Interest accrued and not due on deposits with banks	-	344,941	-	35,852
Deferred lease rent recoverable	2,897,321	-	2,322,650	-
Other receivables	-	500,000	-	46,153,572
	<b><u>2,897,321</u></b>	<b><u>13,500,135</u></b>	<b><u>2,322,650</u></b>	<b><u>56,800,753</u></b>

For the year ended 31 March 2017      For the year ended 31 March 2016

**22 Revenue from operations**

<b>Revenue from</b>		
Healthcare services	1,078,231,597	972,260,565
Pharmacy and surgical sales	395,044,058	336,587,424
Nursing school	13,584,366	12,556,113
	<b><u>1,486,860,021</u></b>	<b><u>1,321,404,102</u></b>

**23 Other income**

Interest income from banks	412,520	270,412
Interest income on income tax refund	1,047,964	-
Other non-operating income		
- Income from leasing	5,960,918	6,107,239
- Income from manpower services	2,265,040	3,807,251

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*

	For the year ended 31 March 2017	For the year ended 31 March 2016
- Sale of food items	1,271,467	1,220,491
- Credit balances written back	542,191	4,214,419
- Miscellaneous income	5,322,605	4,660,984
	<b>16,822,705</b>	<b>20,280,796</b>
<b>24 Consumption of pharmacy, surgical and kitchen items</b>		
Opening stock	46,762,959	62,361,863
Add : Purchases during the year	<b>352,411,009</b>	<b>290,654,887</b>
	399,173,968	353,016,750
Less : Closing stock	<b>50,029,449</b>	<b>46,762,959</b>
	<b>349,144,519</b>	<b>306,253,791</b>
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus	287,045,417	234,416,083
Staff welfare expenses	10,541,160	6,902,536
Gratuity expense (refer note 28 and 34)	2,437,119	3,540,671
Contribution to provident and other defined contribution funds	4,627,017	3,608,126
	<b>304,650,713</b>	<b>248,467,416</b>
<b>26 Finance costs</b>		
Interest expense		
- Term loans	64,519,751	75,614,158
- Vehicle loans	1,286,784	1,646,368
- Working capital facilities	9,980,741	15,746,875
- Others	457,655	3,028,736
Other borrowing cost	7,402,888	15,004,427
	<b>83,647,819</b>	<b>111,040,564</b>
<b>27 Depreciation and amortisation expense</b>		
Depreciation and amortisation expense	56,001,284	51,201,467
	<b>56,001,284</b>	<b>51,201,467</b>
<b>28 Other expenses</b>		
Doctor and other professional fees	412,148,902	376,082,854
Power and fuel	53,971,351	45,968,963
Rent (refer note 38)	30,399,316	19,433,006
Provision for doubtful debts	7,445,295	16,376,648
Repairs and maintenance		
- Buildings	4,872,395	6,334,659
- Plant and machinery	18,855,329	14,887,844
- Vehicles	3,526,204	2,727,253
Office maintenance and others	7,148,743	8,461,604
Insurance	2,419,530	2,335,548
Rates and taxes	3,251,807	2,173,507
Advertisement expenses	4,761,276	2,846,015
Printing and stationary	6,614,597	5,553,265
Corporate social responsibility expenses (refer note 41)	1,046,000	1,228,000
Donations	60,000	-
Legal and professional expenses	5,611,870	7,798,382
Remuneration to auditors (refer note 35)	1,638,411	2,564,743
Security expenses	7,120,966	5,888,180
House keeping expenses	31,412,012	27,515,802

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*

	For the year ended 31 March 2017	For the year ended 31 March 2016
Telephone expense	1,753,008	1,625,849
Travelling expense	6,190,220	6,236,079
Security deposit written off	-	3,358,497
Bad debts (refer note (a) below)	29,767,713	40,304,813
Loss on disposal of fixed assets	9,580	-
Other professional charges for raising capital	28,660,476	8,749,025
Miscellaneous expenses	4,645,976	5,053,417
	<b>673,330,977</b>	<b>613,503,953</b>

**Note:**

- a) Bad debts expense for the year ended 31 March 2016 includes ₹ 27,768,803 which primarily pertains to receivables outstanding for the period upto 31 March 2015.

**29 Other prior period items**

Adjustments for correction in provision for gratuity (refer note 34)	-	5,498,242
Depreciation reversal (refer note 14)	-	(17,694,137)
Reversal of excess income recognised in previous years	-	300,139
Lease straight lining expense (refer note a below)	-	1,870,468
Expense not recognised in earlier periods (refer note c below)	-	2,281,418
Lease straight lining expense income (refer note b below)	-	(1,567,988)
Excess charged medical service fees	-	(272,742)
	-	<b>(9,584,600)</b>

- a. During the previous year(s), Company had recognised rent expense on the actual basis. Adjustment for impact of straight-lining of rent expense as per AS-19 "Leases" had been made in the financial statements.
- b. During the previous year(s), Company had recognised rent income on the actual basis. Adjustment for impact of straight-lining of rent income as per AS-19 "Leases" had been made in the financial statements.
- c. During the previous year the Company has recognised expenses relating to printing and postage charges incurred during the previous years.

**30 Exceptional item**

Loss on sale of assets (net)	-	8,559,497
	-	<b>8,559,497</b>

During the previous year, the Company had disposed off an angiography machine which was considered to be obsolete. Difference between its net book value as at the date of disposal and the amount fetched on such disposal had been considered as loss on sale.

**31 Earnings per share**

Net profit for the year	22,511,717	4,782,844
Weighted average number of shares outstanding	9,717,190	9,358,668
Basic and diluted earnings per share	2.32	0.51
Nominal value of shares	10	10

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016**  
*(All amounts are in rupees, unless otherwise stated)*

**32 Related party disclosures**

**a) Names of related parties and related party relationships**

Relationship	Name
Subsidiary	Regency Lifecare Private Limited
Key Management Personnel (KMP)	1. Dr. Atul Kapoor (Managing Director) 2. Dr. Rashmi Kapoor (Whole Time Director)
Relatives of KMP and relationship	
- Father of Dr. Atul Kapoor	1. Mr. Anant Ram Kapoor
- Brother of Dr. Atul Kapoor	2. Mr. Arun Kapoor
- Son of Dr. Atul Kapoor and Dr Rashmi Kapoor	3. Mr. Abhishek Kapoor
- Wife of Mr. Abhishek Kapoor	4. Mrs. Janhvi Kapoor
Associates	1. HCG Regency Oncology Healthcare Private Limited 2. Regency Nephrocare Private Limited
Enterprises owned or significantly influenced by KMP or their relatives	Matrix Merchandise Private Limited Matrix Plast Private Limited Amrita Charitable Trust Dr. Atul Kapoor - Hindu Undivided Family (HUF)

**b) Details of transactions with the related parties during the year in ordinary course of business are as follows:-**

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Lease rent income</b>		
Regency Nephrocare Private Limited		
- from medical equipment	1,622,784	1,352,654
- from building	3,988,541	3,749,832
Regency Lifecare Private Limited		
- from building	68,975	45,725
Amrita Charitable trust		
- from building	204,000	204,000
<b>Maintenance service for building</b>		
- Regency Nephrocare Private Limited	270,180	-
<b>Investment in equity shares (including securities premium)</b>		
- HCG Regency Oncology Healthcare Private Limited	52,446,273	24,405,491
<b>Fee for medical services received</b>		
- Regency Nephrocare Private Limited	50,369,488	41,546,205
- Dr. Rashmi Kapoor	9,287,283	7,550,172
<b>Investigation and medical tests performed for</b>		
- HCG Regency Oncology Healthcare Private Limited	177,110	-
<b>Remuneration</b>		
- Mr. Anant Ram Kapoor	180,000	180,000
- Dr. Atul Kapoor	7,258,570	4,744,487
- Dr. Rashmi Kapoor	6,721,136	4,416,763
- Mr. Arun Kapoor	1,500,000	1,200,000
- Mr. Abhishek Kapoor	3,000,000	1,900,000
- Mrs. Janhvi Kapoor	420,000	300,000
<b>Share in investigation charges</b>		
- Dr. Rashmi Kapoor	3,629,808	6,120,721
- Dr. Atul Kapoor	316,978	814,604

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**
*(All amounts are in rupees, unless otherwise stated)*
**Interest expense**

- Dr. Rashmi Kapoor	-	779,630
- Dr. Atul Kapoor	-	1,999,364

**Lease rent expense**

- Anant Ram Kapoor	6,900,000	1,218,268
- Dr. Atul Kapoor	990,000	990,000
- Dr. Rashmi Kapoor	3,900,000	3,900,000

**Repayment of loan**

- Dr. Atul Kapoor	-	38,464,090
- Dr. Rashmi Kapoor	-	15,550,000

**Advances given**

- Regency Lifecare Private Limited	-	100,000
- Matrix Merchandise Private limited	-	2,500,000

**Payments made on behalf of**

- Regency Nephrocare Private Limited	1,422,815	733,127
- Mr. Anant Ram Kapoor	462,170	-
- Regency Lifecare Private Limited	378,700	-

**Purchase of surgical items**

- Matrix Merchandise Private limited	124,950	-
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**Corporate social responsibility expenses**

- Amrita Charitable Trust	1,046,000	1,228,000
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**Sale of pharmacy and surgical items**

- Regency Lifecare Private Limited	-	24,467,247
- HCG Regency Oncology Healthcare Private Limited	11,494,533	-

**Sale of Fixed assets**

- Matrix Plast Private Limited	14,175,000	-
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**Revenue claimed on behalf of**

- HCG Regency Oncology Healthcare Private Limited	17,740,579	-
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**c) Details of outstanding balances of the related parties in ordinary course of business are as follows:-**

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Advance given</b>		
- Regency Lifecare Private Limited	143,940	143,940
- Matrix Merchandise Private limited	-	2,500,000
<b>Payable for medical services received</b>		
- Dr. Rashmi Kapoor	969,361	577,827
- Regency Nephrocare Private Limited	23,925,083	10,544,855
<b>Rent receivable</b>		
- Regency Nephrocare Private Limited	3,452,742	1,596,872
- Regency Lifecare Private Limited	114,700	45,725
<b>Receivable for expenses incurred on behalf of</b>		
- Regency Nephrocare Private Limited	437,966	205,027
<b>Receivable for payment made on behalf of</b>		
- Regency Lifecare Private Limited	378,700	-

**Receivable for sale of pharmacy and surgical items**

- Regency Lifecare Private Limited	17,929,283	24,429,283
- HCG Regency Oncology Healthcare Private limited	11,494,533	-

**Security deposit receivable**

- Dr. Rashmi Kapoor	5,828,290	5,828,290
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**Advance given**

- Mrs. Janhvi Kapoor	117,500	200,000
- Dr. Rashmi Kapoor	359,135	-

**Investments in equity shares**

- Regency Nephrocare Private limited	14,210,000	14,210,000
- HCG Regency Oncology Healthcare Private limited	134,951,754	82,505,481
- Regency Life Care Private Limited	99,990	99,990

**Payable for revenue claimed on behalf of**

- HCG Regency Oncology Healthcare Private limited	17,740,579	-
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**d) Other arrangements**

Personal guarantee given by Dr. Atul Kapoor and Dr. Rashmi Kapoor for loans the outstanding balance of which is ₹ 687,290,792 (previous year ₹ 623,423,742) obtained by the Company from various banks.

Personal guarantee given by Mr. Anant Ram Kapoor for loans the outstanding balance of which is ₹ 251,934,260 (previous year ₹ 100,725,826) obtained by the Company from various banks.

The Company has given corporate guarantee in respect of borrowings availed by HCG Regency Oncology Healthcare Private Limited ₹ 453,000,000 (previous year ₹ 453,000,000), the outstanding balance against which is ₹ 501,478,148 (previous year ₹ 391,209,585).

- 33** Segment information as required under AS 17" Segment Reporting", has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016**

(All amounts are in rupees, unless otherwise stated)

**34 Employee benefits expense**

Gratuity has been recognised as defined benefit plan in accordance with accounting standard -15 "Employee benefits" as under:-

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Change in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	18,687,336	9,648,423
Adjustments for correction in provision for gratuity for prior year (refer note 29)	-	5,498,242
Current service cost	3,423,441	1,936,895
Interest cost	1,445,409	1,181,440
Actuarial loss	(2,118,816)	422,336
Benefit Payments	(312,915)	-
Present value of defined benefit obligation at the end of the year	<u>21,124,455</u>	<u>18,687,336</u>
<b>Assets and liabilities recognised in the balance sheet</b>		
Present value of defined benefit obligation	21,124,455	18,687,336
Less: Fair value of plan assets	-	-
Liability recognised in the balance sheet	<u>21,124,455</u>	<u>18,687,336</u>
Recognised under:		
- Long-term provision	17,014,419	15,300,824
- Short-term provision	3,797,121	3,386,512
	<u>20,811,540</u>	<u>18,687,336</u>
<b>Expense recognised in the statement of profit and loss</b>		
Current service cost	3,423,441	1,936,895
Adjustments for correction in provision for gratuity for prior year (refer note 29)	-	5,498,242
Interest cost	1,445,409	1,181,440
Actuarial loss	(2,118,816)	422,336
Total expense	<u>2,750,034</u>	<u>9,038,913</u>
<b>Actuarial assumptions</b>		
Discount rate	7.10%	7.80%
Long-term rate of compensation increase	10.00%	10.00%
Average remaining life (years)	21.92	23.60
<b>Demographic assumptions</b>		
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.Modified	Indian Assured Lives Mortality (2006-08) Ult.Modified
Retirement age	58	58
Withdrawal rates	2.00%	2.00%

	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Defined benefit obligation	21,124,455	18,687,336	6,062,000	5,331,000	4,269,000
Experience adjustment on plan liabilities	(2,118,816)	422,336	805,586	179,988	1,358,677

**Notes :**

- 1) The discount rate is based on the government bonds yields as at the balance sheet date corresponding to a term of approximately 10 years which is the expected term of defined benefit obligation.
- 2) The estimates of future salary increases has been considered on the basis of inflation rate, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016**  
*(All amounts are in rupees, unless otherwise stated)*

**Expenditure recognised in respect of defined contribution plan is as under:**

	For the year ended 31 March 2017	For the year ended 31 March 2016
Employee provident fund paid to the authorities	2,553,722	2,010,642
Employee state insurance paid to the authorities	2,073,295	1,597,484

**35 Remuneration to auditors**

Payment to auditor:\*

- Statutory audit and limited reviews	1,610,000	2,519,000
- Out of pocket expenses	28,411	45,743
	<u>1,638,411</u>	<u>2,564,743</u>

\* Including service tax

**36 Commitments**

- Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) : ₹ 51,269,061 (Previous Year ₹ 31,993,059).

**Other commitments**

- The Company has entered into an agreement with a Ratan Housing Development Limited for acquisition of an immovable property on lease in Kanpur the expected date of possession of which was 30 November 2015 however due to delay on account of third party and pending statutory power load certificate from the electricity department the possession of said property has not been obtained as yet. The lease has a tenure of 9 years and carries a average monthly rent of ₹ 1,450,000 with an escalation clause of 15% every 3 years. Company expects to receive the possession of the same by 1 September 2017.
- The Company has entered into an agreement with The Empire for acquisition of an immovable property on lease in Lucknow. The lease has a tenure of 9 years and carries a average a monthly rent of ₹ 2,900,000 per month with an increment of 5% every year on the last paid rent which shall begin upon possession of the said premises. The total amount of capital expenditure remaining unexecuted is ₹ 35,000,000. Company expects to receive the possession of the same by 1 August 2018.

	As at 31 March 2017	As at 31 March 2016
--	------------------------	------------------------

**37 Contingent liabilities and litigations**

Claims against the company not acknowledged as debt (refer note (a) below)	41,395,610	49,762,229
Disputed demand of Customs Department (refer note (b) below)	1,923,000	1,923,000
Bank Guarantee furnished to Director, CGHS and ECHS	3,700,000	1,400,000
Corporate Guarantee (refer note (c) below)	453,000,000	453,000,000
Bonus (refer note (d) below)	3,502,616	3,502,616
Income-taxes (AY 2013-14 and AY 2014-15)	2,028,125	-

**Note**

- Includes total amount of claims under various legal cases alleging medical negligence against the hospital as on 31 March 2017 is ₹ 40,034,379 (previous year ₹ 49,198,229). The Company has taken Professional Indemnity Insurance policy for all cases and basis this professional indemnity policy and historical trend of settlement in this matter management is confident that no liability is likely to devolve on the company.
- The Company had deposited an amount of ₹ 1,923,000 (being 50% of disputed amount of ₹ 3,845,000) under protest with the Commissioner of Custom (Import and general) in accordance with the order dated 05 February 2007 passed by Hon'ble Allahabad high court, which had been written off in the previous financial year (refer note 28).
- The Company has given corporate guarantee in respect of borrowings availed by HCG Regency Oncology Healthcare Private Limited of ₹ 453,000,000 (previous year ₹ 453,000,000), the outstanding balance against which is ₹ 501,478,148 (previous year ₹ 391,209,585).
- The Payment of Bonus (Amendment) Act, 2015 dated 31 December 2015 (which was made effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by various High Courts and pending disposal of such matter, the Company has not recognised the differential amount of bonus of ₹ 3,502,616 for the period 1 April 2014 to 31 March 2015 and accordingly has recognised the expense in accordance with the Payment of Bonus (Amendment) Act, 2015 w.e.f. 1 April 2015 and onwards.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016**

(All amounts are in rupees, unless otherwise stated)

- (e) Interest and claims by customers, suppliers, lenders and employees may be payable as and when the outcome of the related matters are finally determined and hence have not been included above. Management based on legal advice and historical trends, believes that no material liability will devolve on the Company in respect of these matters.

**38 Operating lease**

The Company has leased some of its premises to third parties under lease agreements that qualifies as an operating lease. Rental income for operating leases for the years ended 31 March 2017 and 31 March 2016 aggregate to ₹ 5,960,918 and ₹ 6,107,239 respectively.

The Company is a lessee under various cancellable and non-cancellable operating leases. Rental expense for operating leases for the years ended 31 March 2017 and 31 March 2016 was ₹ 30,399,316 and ₹ 19,433,006 respectively. The Company has executed non-cancelable operating leases. Expected future minimum lease payments in respect of such leases are as follows:

	As at 31 March 2017	As at 31 March 2016
The minimum lease payments for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	74,783,189	10,957,631
Later than one year but not later than five years	406,090,901	62,539,348
Later than five years	354,698,721	28,530,101
The minimum lease receipts for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	3,554,140	3,554,140
Later than one year but not later than five years	18,659,236	20,620,812
Later than five years	13,608,251	15,015,004

**39 Information pursuant to provisions of paragraph 5 of Part II of Schedule III of the Companies Act, 2013**

	For the year ended 31 March 2017		For the year ended 31 March 2016	
i) <b>Cost of materials consumed</b>	<b>Value</b>	<b>Percentage</b>	<b>Value</b>	<b>Percentage</b>
Indigenous	349,144,519	100%	306,253,791	100%
Imported	-	-	-	-
<b>Total</b>	<b>349,144,519</b>	<b>100%</b>	<b>306,253,791</b>	<b>100%</b>
ii) <b>Expenditure in foreign currency (on accrual basis)</b>	<b>USD</b>	<b>INR</b>	<b>USD</b>	<b>INR</b>
Professional fees	-	-	30,000	2,000,500
Interest expense	8,605	648,190	1,820	125,354
	<b>EURO</b>	<b>INR</b>	<b>EURO</b>	<b>INR</b>
Professional fees	1,247	80,828	-	-
iii) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:	<b>USD</b>	<b>INR</b>	<b>USD</b>	<b>INR</b>
Payable in foreign currency	55,165	3,576,822	55,165	3,659,255

**40 Disclosures pursuant to section 186 of the Companies Act, 2013:**

Particulars	As at 31 March 2017	As at 31 March 2016
a) <b>Investment</b>		
Investment in Associate- HCG Regency Oncology Healthcare Private Limited		
Balance as at the year end	134,951,754	82,505,481
Maximum amount outstanding at any time during the year	134,951,754	82,505,481

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2017**  
*(All amounts are in rupees, unless otherwise stated)*

**b) Guarantee given**

Corporate guarantee - HCG Regency Oncology Healthcare Private Limited		
Balance as at the year end	453,000,000	453,000,000
(Corporate guarantee in respect of borrowings availed by Associate Company (read with note 37))		

- 41** In accordance with the provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company had constituted a Corporate Social Responsibility (CSR) Committee. In terms with the provisions of the said Act, the Company was to spend a sum of approx. ₹ 1,031,718 (previous year ₹ 1,228,000) towards CSR activities during the year ended 31 March 2017. The details of amount actually spent by the Company are:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Education	1,046,000	1,228,000

**42 Disclosure of details of Specified Bank Notes (SBN)\* held and transacted during the period from 8 November 2016 to 30 December 2016:**

	SBNs	Other	Total
<b>Closing cash in hand as on 8 November 2016</b>	7,339,500	33,057	7,372,557
(+) Permitted receipts**	1,424,500	61,754,710	63,179,210
(-) Permitted payments	-	7,801,566	7,801,566
(-) Amount deposited in banks	8,764,000	52,145,791	60,909,791
<b>Closing cash in hand as on 30 December 2016</b>	-	<b>1,840,410</b>	<b>1,840,410</b>

\* For the purpose of this note, the term Specified Bank Notes (SBN), shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

\*\* Sale of pharmacy in SBN has been considered as permitted receipts based on notification no. SO 3408 (E) dated 8 November, 2016, SO 3416 (E) dated 9 November, 2016 SO 3445 (E) dated 11 November, 2016, SO 3448 (E) dated 14 November, 2016 and SO 3544 (E) dated 24 November, 2016

- 43** Previous year figures have been regrouped/ rearranged, wherever necessary to conform to current year classification.

In term of our report attached  
**For Walker Chandlok & Co LLP**  
Chartered Accountants

**per Sumit Mahajan**  
Partner  
M.No-504822

Place : Kanpur  
Date : 25th July 2017

For and on behalf of the Board of Directors of  
**Regency Hospital Limited**

Sd/-  
**Atul Kapoor**  
Managing Director  
DIN- 01449229

Sd/-  
**Rashmi Kapoor**  
Director  
DIN- 01818323

Sd/-  
**Rishi Tandon**  
Company Secretary

Sd/-  
**Deepak Gupta**  
Chief Financial Officer

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

**CIN:** U85110UP1987PLC008792

**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]

**28<sup>TH</sup> Annual General Meeting – September 26, 2017**

Name of the Member(s)	
Registered address	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature , or failing him	
Name :	
Address:	
E-mail Id:	
Signature, or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the Tuesday, 26th September, 2017 at 3:00 P.M. at the registered office of the Company 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) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of financial statements for the financial year ended March 31, 2017 and Reports of Board of Directors and Auditors.			
2.	To appoint a Director in place of Dr. Rashmi Kapoor (DIN: 01818323), who retires by rotation at this Annual General Meeting and being eligible had offered herself for re-appointment.			
3.	To ratify the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants, as Statutory Auditor of the company and to fix their remuneration.			
Special Business				
4.	Ratification of the remuneration payable to Cost Auditor of the Company for F.Y-2017-18			
5.	Appointment of Mr. Rabindra Nath Mohanty as Independent Director			
6.	To approve related party transaction with HCG Regency Oncology Healthcare Pvt. Ltd.			
7.	Enhancement of borrowing limits from Rs.150 crores to Rs.200 crores			
8.	Creation of charge on company's properties			

Signed this .....day of .....2017

Affix revenue  
stamp of not  
Less Than  
Rs. 0.15

.....  
Signature of Shareholder

.....  
Signature of first proxy holder

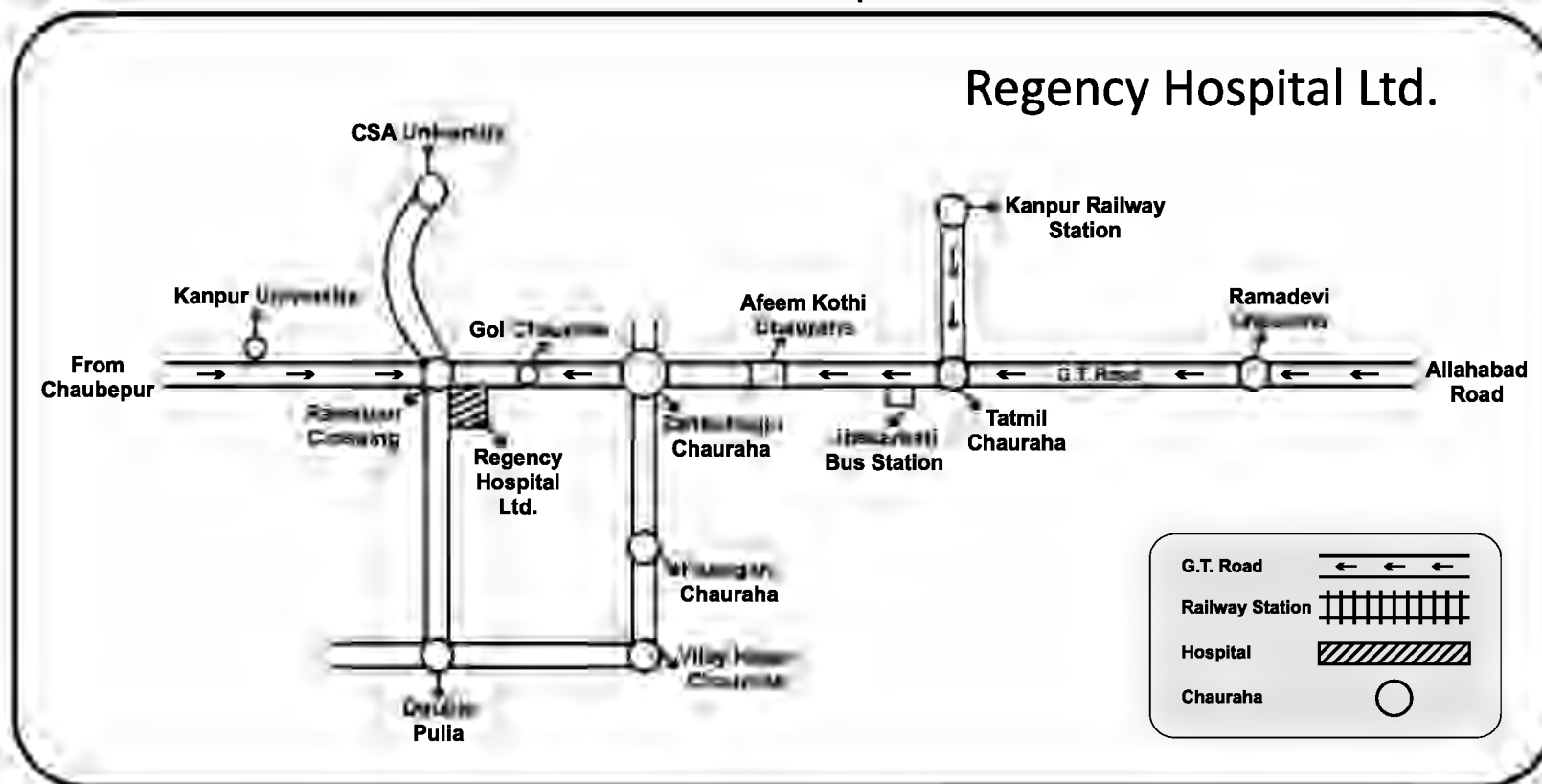
.....  
Signature of second proxy holder

.....  
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.

## Route Map



**REGENCY HOSPITAL LIMITED**

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

CIN: U85110UP1987PLC008792

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

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

**ATTENDANCE SLIP**

**28th Annual General Meeting - 26th September, 2017**

Regd. Folio No./DP ID/Client ID/\_\_\_\_\_

No. of shares held\_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the Annual General Meeting of the Company held on Tuesday, 26th September, 2017 at 3:00 P.M. at the registered office of the Company at A-2, Sarvodaya Nagar, Kanpur - 208005

.....  
Member's/Proxy's name in Block Letters

.....  
Member's/Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the hall. Members are requested to bring their copy of Notice of AGM.

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**E-VOTING PARTICULARS**

EVEN (E-VOTING EVENT NUMBER)	USER ID	PASSWORD / PIN

Note: Please read the instructions under the title "Procedure for E-Voting" given in the Notice of the Annual General Meeting carefully before voting electronically.









**REGENCY  
HEALTHCARE**

ENSURING WELLNESS • ENRICHING LIVES

**REGENCY HOSPITAL - SARVODAYA NAGAR**

A-2, Sarvodaya Nagar, Kanpur

T | 0512-3081111

**REGENCY RENAL SCIENCES CENTRE**

Swaroop Nagar, Opp.Motijheel, Kanpur

T | 0512-3081616

**REGENCY CITY CLINIC**

14/122, Ratan Unique, Opp.PPN Market, Kanpur

T | 0512-3081818

**HCG REGENCY CANCER CENTRE**

A-4, Sarvodaya Nagar, Kanpur

T | 0512-3362525

**REGENCY HOSPITAL - GOVIND NAGAR**

Plot 16 & 17, Block 'K', Govind Nagar, Kanpur

T | 0512-3362222