

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of **REGENCY HOSPITAL LIMITED** will be held on Saturday, the 22nd day of December 2018 at 12:30 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:

- a) The audited standalone financial statements of the Company for the Financial Year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon; and
 - b) The audited consolidated financial statements of the Company for the Financial Year ended March 31, 2018.
- 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.**

SPECIAL BUSINESS:

3. 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 2018-19 at a remuneration of Rs.27,500/- per annum (Rupees Twenty seven thousand Five Hundred only) plus GST 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.”

4. Enhancement of Borrowing Powers

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

“RESOLVED THAT in supersession to the resolution passed by the shareholders at the 28th Annual General Meeting of the Company held on September 26, 2017, 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. 350 Crores (Rupees Three Hundred Fifty Crores only) in excess of the paid up capital, share premium 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.”

5. Creation of Charge on Company's Property

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

“RESOLVED THAT in supersession to the resolution passed by the shareholders at the 28th Annual General Meeting of the Company held on September 26, 2017, 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. 350 Crores (Rupees Three Hundred Fifty Crores only) under the respective borrowing arrangements entered into / to be entered by the Company.”

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

“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.”

6. To issue Equity Shares on Private Placement/Preferential basis.

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

“RESOLVED THAT pursuant to Section 42 and 62(1)(c) of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018, Companies (Share Capital & Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications thereto or re-enactment thereof for the time being in force) and in accordance with the provisions of Article of Association of the Company, Foreign Exchange Management Act, 1999 as amended, the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations 2000, and subject to the approval, consent, permission and/or sanction, as may be required from the Reserve Bank of India, if any, Foreign Investment Promotion Board, Financial institutions and any other appropriate authority, Institution or Body and subject to such terms, conditions alterations, corrections, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approval, consent, permission and/or sanction, the

consent of the Company be and is hereby accorded to the company to create, offer and issue 594,714 (Five lacs Ninety Four Thousand Seven Hundred and Fourteen) number of Equity Shares of Rs. 10/- (Rupees Ten) each at a premium of Rs. 217/- per share as fully paid up to the following person by way of private placement:

Proposed Allottee	Category	No. of Shares
Rashmi Kapoor	Promoter-Director	202,472
International Finance Corporation	Non-promoter	118,674
Healthquad Fund	Non-promoter	110,132
Kois Holdings	Non-promoter	163,436
	Total	594,714

RESOLVED FURTHER THAT the Equity Shares so issued shall, upon allotment, have the same rights as the existing shares and be treated for all other purposes pari-passu with the existing shares of the Company, and that the equity shares so allotted shall be entitled to the dividend and other corporate benefits, if any.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things etc. as may be necessary to do in this regard for and on behalf of the Company.”

Registered Office:

A-2, Sarvodaya Nagar,
Kanpur-208005

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

Kanpur, 14th December, 2018

Sd/-
(Atul Kapoor)
Managing Director
DIN No-01449229

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. **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.**

10. The route map showing directions to reach the venue of the twenty-ninth AGM is annexed.
11. 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.
12. The annual financial statements of the subsidiaries of the Company are available on the website of the Company at www.regencyhealthcare.in and will be sent to the shareholder who asks for it.
13. 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 Wednesday December 19, 2018 (9.00 A.M.) to Friday, 21, 2018 (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.
14. The notice of the AGM 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 2018-19 will also be available on the Company's website viz. 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.
15. 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 December 14, 2018 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 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 sksco2001@gmail.com with a copy marked to evoting@nsdl.co.in & 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.
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 Friday, December 14, 2018. 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 general meeting. Accordingly, the voting period shall commence at 9:00 a.m. on Wednesday, December 19, 2018 and will end at 5:00 p.m. on Friday, December 21, 2018. 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. 14th December 2018, may obtain the login ID and password by sending a request at 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.

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. 3

The Board of Directors of the Company pursuant to the recommendation of the Audit Committee at their meeting held on 28th June, 2018 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. 2018-2019 at a remuneration of Rs.27, 500/- (Rupees Twenty Seven Thousand Five hundred 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 2018-19.

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. 4

The members of the Company at their 28th Annual General Meeting held on 26th September, 2017, approved by way of an Special Resolution under Section 180(1)(c) of the Companies Act, 2013, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 200 Crores (Rupees Two Hundred 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. 350 Crores (Rupees Three Hundred Fifty Crores only) at any point of time.

The Board recommends passing of the Special Resolution set out at Item No.4 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. 5

The Member of the Company at their Annual General Meeting held on 26th September, 2017 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.200 Crores. Moreover validity of the resolution passed by member of the Company on 26th September, 2017, this approval is not sufficient to secure the further borrowings Rs.150 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.5 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. 6

The company is in need of additional capital, to accommodate the ongoing expansion plans and to reduce its high cost debts. Accordingly the Board of Directors of the Company decided to increase the subscribed, issued and paid-up capital of the Company, by private placement/preferential allotment of 5,94,714 (Five Lacs Ninety Four Thousand Seven Hundred Fourteen) Equity Shares of Rs. 10/- (Rupees Ten) each at a premium of Rs. 217/-

per share of the Company to the allottees as per the resolution inserted in the notice calling AGM for the approval of shareholders.

Information as required under Rule 13 of Companies (Share Capital & Debentures) Rules, 2014 and Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018 including any amendment thereto, are given here under:

1. PARTICULARS OF THE OFFER:

- a) **Date Of Passing Of Board Resolution** : 14.12.2018
- b) **Kind Of Securities offered and Total**
No. of shares or other securities to be issued: 5,94,714 number of Equity
Shares of Face Value of Rs. 10/- each

2. Price at Which Security is being offered including premium, if any, along with justification of the price:

Equity shares are offered at Rs. 227/- each (including premium of Re. 217/- per share). Board of Directors of your Company has obtained Valuation report of its equity shares from an independent Merchant Banker and fair value of its equity shares has been derived at Rs. 227/- per equity share based on that valuation report. The Price has been arrived by Discounted Cash Flow Method adopted by the Valuer for the purpose of valuation.

3. Name and Address of the valuer who performed Valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer;

Proxcel Advisory Services LLP, 26, G.F, JMD Megapolis, Sector-48, Sohna Road, Gurugram-122018 Haryana, India. The Price has been arrived by Discounted Cash Flow Method adopted by the Valuer for the purpose of valuation. The copy of the Valuation Report can be inspected at the registered office of the Company during business hours on any working day from 10.00 am to 5.00 p.m

4. Relevant date with reference to which the price has been arrived at; The valuation report is dated 22nd November, 2018 wherein the financials have been considered as on 30.09.2018 for the purposes of valuation.

5. The class or class of persons to whom the allotment is proposed to be made; The present allotment is proposed to be made to select group of existing members only whose names are identified and duly recorded by the Company in Form PAS-5.

6. Amount which the company intends to raise by way of proposed offer of securities; Rs.13,50,00,078/- (Rupees Thirteen Crores Fifty Lakhs Seventy Eighty only).

7. **Terms of Raising Securities, Duration, if applicable, rate of dividend or interest, mode Of Payment and Repayment:** Ranking *pari-passu* with exiting Equity Shares, payment to be made by Electronic transfer.
8. **Proposed Time Schedule for which The private placement Offer cum application Letter Is Valid:** Up to 21.12.2019
9. **Purposes And Object of The Offer;** to meet out the expansion programs and to reduce the high cost debts of the Company.
10. **Contribution Being Made By The Promoters Or Directors Either As Part Of The Offer Or Separately In Furtherance of Such Objects:**

Name of Promoter / Directors	Capital contributed till date (Amount in Rs.)
Atul Kapoor–Promoter & Director	270,22,600/-
Rashmi Kapoor–Promoter & Director	3,23,10,300/-
Abhishek Kapoor-Promoter	17,75,080/-
Anant Ram Kapoor- Promoter	88,62,520/-
Arun Kapoor- Promoter	50,000/-
Soni Kapoor- Promoter	64,92,100/-
Atul Kapoor HUF- Promoter	1,18,25,230/-
Arun Akshat Kapoor HUF- Promoter	6,72,000/-
Arun Kapoor HUF- Promoter	5,22,720/-
TOTAL	89,532,550/-

Contribution Being Made By the Promoters /Directors as Part of the Offer

Name of Promoter / Directors	Contribution made as a part of offer
Rashmi Kapoor–Promoter & Director	Rs. 4,59,61,144/-

11. **Principle Terms Of Assets Charged As Security:** The detailed borrowings of the company along with the assets charged as security with various banks is depicted herein below:-

Name of bank / financial institution (Term Loans)	Details of security
HDFC Bank Limited	Hypothecation of stock/consumables & book debts (both present and future), Exclusive first charge by way of Equitable Mortgage over land & Building at plot no.A-2, Sarvodaya Nagar, Kanpur, B-2, Sarvodaya Nagar, Kanpur & plot no.117/101, K-Block, Kakadeo, Kanpur. Hypothecation of Plant and Machinery and other fixed assets.

Yes Bank Limited	Secured by way of Charge on all immovable & movable fixed assets of the Renal Care Center (situated at 113/104, Swaroop Nagar, Kanpur) both present and future. Exclusive charge on medical equipments & movable fixed assets, and all current assets (both present and future) of the South Kanpur hospital situated at Plot No.16 & 17, Block-K, Govind Nagar, Kanpur. Extension of first charge on specific medical equipment & Plant & machinery located at A-2, Sarvodaya Nagar, Kanpur. Land and building of the Renal Care Centre situated at 113/104, Swaroop Nagar, Kanpur, U.P, India, owned by the Borrower. All that piece and parcel of property situated at Plot no.1/PS (Educational Plot), Sector-1, Ambedkarpuram Yojna No 3, Kalyanpur, Kanpur, Uttar Pradesh ad-measuring 3079.40 sq. mtr.
Kotak Mahindra Prime Limited	Secured by way of charge on vehicle financed through the loan facility
Allahabad Bank	Secured by way of charge on vehicle financed through the loan facility.

12. Intention of promoters, directors or KMP to subscribe: Rashmi Kapoor (DIN No-01818323), Promoter and Whole-Time Director of the Company intend to participate in the proposed offer.

13. Time-limit of allotment: The allotment of securities on a Private Placement/preferential basis shall be completed within a period of twelve months from the date of passing of Special Resolution.

14. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:

Name	Shareholding Post Preferential Allotment
Rashmi Kapoor	24.45%
International Finance Corporation	19.95%
Healthquad Fund	5.49%
Kois Holdings	6.47%

15. Change in control pursuant to offer: The promoter's shareholding will be diluted to the extent of 1.38% but there will be no change in the control of company post preferential allotment.

16. Number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price: Nil

17. Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not applicable

18. Pre and Post issue shareholding pattern of the Company:

Sr. No.	Category	Pre-Issue		Post Issue	
		No. of shares held	%of shareholding	No. of shares held	% of shareholding
A	Promoters holding:				
1.	Indian:				
	Individual	8953,255	66.58%	9155727	65.20%
	Bodies Corporate	-	-		
	Sub-Total	8953255	66.58%	9155727	65.20%
2.	Foreign Promoters	-	-		
	Sub-Total (A)	8953255	66.58%	9155727	65.20%
B	Non-Promoters' holding:				
1.	Institutional Investors	3345513	24.87%	3574319	25.45%
2.	Non-Institution:				
	Private Corporate Bodies	819630	6.09%	983066	7.00%
	Directors and Relatives	-	-	-	-
	Indian Public	321465	2.39%	321465	2.29%
	Other (including NRIs)	8202	0.06%	8202	0.06%
	Sub-Total (B)	4494810	33.42%	4887052	34.80
	GRAND TOTAL	13448065	100%	14042779	100%

Hence the proposed resolution is recommended for consideration and approval by the shareholders of the Company.

None of the Directors/KMP or their relatives except to the extent of their shareholding are concerned or interested in the proposed resolution.

Registered Office:

A-2, Sarvodaya Nagar,
Kanpur-208005

Kanpur, 14th December, 2018

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

Sd/-
(Atul Kapoor)
Managing Director
DIN No-01449229

REGENCY HOSPITAL LIMITED**Registered Office:** A-2, Sarvodaya Nagar, Kanpur – 208005**CIN:**U85110UP1987PLC008792**e-mail:** investor @regencyhealthcare.in;**website:** www.regencyhealthcare.in**Ph:** (91)(512)3081111 **Fax:** (91)(512) 2213407**PROXY FORM**

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

29TH Annual General Meeting – December 22, 2018

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 Saturday, 22nd December, 2018 at 12:30 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	Resolution	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, 2018 and Reports of Board of Directors and Auditors thereon.			
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.			
Special Business				
3.	Ratification of the remuneration payable to Cost Auditor of the Company for F.Y-2018-19			
4.	Enhancement of borrowing limits from Rs.200 crores to Rs.350 crores			
5.	Creation of charge on company's properties			
6.	To Issue Equity Shares on Private Placement/Preferential basis			

Signed this _____ day of _____ 2018

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Signature of Shareholder

Affix Revenue
Stamp of not
Less Than Rs.
0.15

.....

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.

ATTENDANCE SLIP
REGENCY HOSPITAL LIMITED
Registered Office: A-2, Sarvodaya Nagar, Kanpur – 208005
CIN:U85110UP1987PLC008792
e-mail: investor@regencyhealthcare.in;
website: www.regencyhealthcare.in
Ph: (91)(512)3081111 **Fax:** (91)(512) 2213407

29TH Annual General Meeting – 22nd December, 2018

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 Saturday, 22nd December, 2018 at 12:30 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.

REGENCY HOSPITAL LIMITED

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

CIN: U85110UP1987PLC008792

e-mail: investor@regencyhealthcare.in;

website: www.regencyhealthcare.in

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

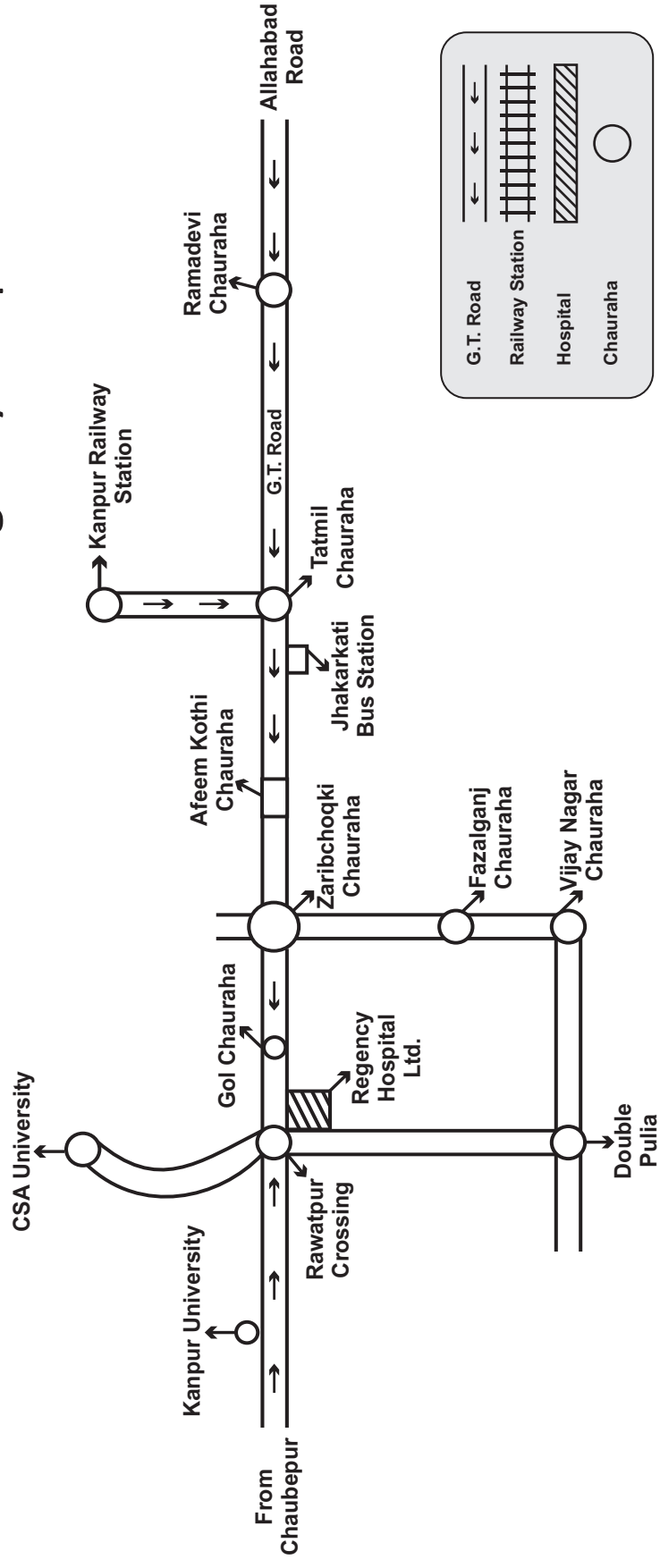
E-VOTING PARTICULARS

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.

Route Map

Regency Hospital Ltd.



DIRECTOR'S REPORT

To,
The Members of
REGENCY HOSPITAL LIMITED

Your Directors have pleasure in presenting the 29th Annual Report on the Business and Operations of the Company along with Audited Statement of Accounts of the Company for the financial year ended 31st March 2018.

FINANCIAL RESULTS (STANDALONE)

(Amount in Cr.)		
PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Total Income	182.31	150.37
Profit/(Loss) before Interest, Depreciation, exceptional , extra ordinary items and Taxation	24.58	17.65
Less : Depreciation	10.01	5.60
Less: Finance Charges	11.08	8.36
Profit before exceptional items and tax	3.49	3.69
Less : Exceptional Items	0.00	0.00
Profit Before Taxation	3.49	3.69
Tax Expense		
Less: Current Tax	0.83	1.71
Less: Current Tax relating to Earlier Year	(0.20)	0.00
Less : Deferred Tax	0.53	(0.46)
Less : Deferred Tax relating to Earlier Year	0.82	0.19
Minimum Alternate Tax (MAT) Credit Entitlement	(0.83)	0.00
Profit for the Year	2.34	2.25

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 have increased from Rs.150.37 Cr. to Rs.182.31 Cr. thereby recording the growth of 21.24 % on year to year (YOY) basis. Out of above, operational receipts from healthcare activities have increased from Rs.147.33 Cr. to Rs.175.77 Cr. thereby recording a growth of 19.30 % on year to year (YOY) basis. The operational receipts from healthcare education has decreased from Rs.1.36 Cr.to Rs.1.13 Cr., thus recording the decline of Rs.0.23 Cr. on year to year (YOY) basis. This has been due to decrease in the length of course which has been reduced from 42 months to 36 months.

The growth in healthcare activities was mainly due to change in mix of indoor patients, start of South Kanpur hospital and Onco Centre respectively.

During the year under review, hospital had treated 22212 Indoor patients and 211708 outdoor patients as compared to 19021 Indoor patients/194019 outdoor patients in same period during the previous year.

Earnings before Depreciation Interest and Tax have increased from Rs.17.65 Cr to Rs.24.58 Cr thereby recording a growth of 39.26 % on year to year (YOY) basis. There has been a marginal dip of Rs.0.20 Cr .in Profit Before Tax (PBT) and marginal increase in Net Profit after tax as compared to previous year due to high depreciation, finance Charges and adjustment in deferred tax on account of amalgamation of HCG Regency Oncology Healthcare Private Limited with the company with effect from 1st April, 2017 vide order passed by the Regional Director, New Delhi.

Due to this amalgamation there was not only increase in installed bed capacity of the company but company also got the benefit of tax due to higher depreciation of transferor company in current year and Company will avail these benefits in future also.

ACHIEVEMENTS, GROWTH STRATEGY AND FUTURE PROSPECTS:

During the year under review, your Company has achieved all time high income from operations to Rs.176.90 Cr. as compared to Rs. 148.69 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.

South Kanpur Hospital had started its commercial operations in the month of November, 2017 and Company had acquired 51% shares of HCG Regency Oncology Healthcare Private Limited from Healthcare Global Enterprises Bangalore on 28th March, 2018. Further, amalgamation of HCG Regency Oncology Healthcare Private Limited was also completed by order of Regional Director, New Delhi with effect from 1st April, 2017.

New premium general ward, Premium labor delivery suite, Private Rooms were added in Multispecialty Hospital. Resultant that total Indoor Bed Capacity has been increased from 232 Beds to 450 Beds respectively. Further, Company is also planning to start Renal and Gastro Hospital at Lucknow by the start of next Financial Year.

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 expanding the health education college from 40 Seats for GNM course to 100 Seats and 325 Seats for other courses in next five years. Building of Nursing college will be completed by March-19 so that college will be entitled to take the admission of additional students / New Courses for the session 2019-20 accordingly.

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.. 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. Company had already submitted MAP for Hospital building to Kanpur Development Authority which is pending for approval.

The Company anticipates to expand its healthcare operations in others parts of state of UP under asset light model.

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.55,00,00,000/- (Rupees Fifty Five Crores only) divided into 5,50,00,000 (Five Crores Fifty Lacs) Equity Shares of Rs. 10/- each.

The Authorized Capital was increased to the tune of Rs.35,00,00,000/- by addition of Authorized Share Capital of its wholly owned subsidiary, M/s HCG Regency Oncology Healthcare Private Limited which was merged into the Company vide the Order passed by Regional Director, New Delhi with effect from 01st April, 2017.

The Company did not raised any Share Capital during the year under review.

BOARD MEETINGS

During the year Six (6) Board Meetings were held on April 06, 2017, May 24, 2017, July 25, 2017, November 18, 2017, December 01, 2017, and February 28, 2018, 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	6	Yes
2.	Dr. Rashmi Kapoor	6	6	Yes
3.	Mr. Anil Kumar Khemka	6	6	Yes
4.	Mr. Rajiv Kumar Bakshi	6	5	Yes
5.	Mr. Rabindra Nath Mohanty	6	1	Yes
6.	Mr. Charles Antoine Emmanuel T Janssen	6	3	Yes
7.	Mr. Subhash Chand Ahuja*	6	2	No

* Mr. Subhash Chand Ahuja vacated the office of Director on 26th September 2017 and in his place Mr. Rabindra Nath Mohanty was appointed as Independent Director.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

During the year Four (4) meetings of the Committee were held on May 24, 2017, July 25, 2017, November 18, 2017 and February 28, 2018. The Composition and attendance of the Committee as on March 31, 2018 was as follows:

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

4	Mr. Rajiv Kumar Bakshi, Member	Independent, Non-Executive	4	4
5	Mr. Rabindra Nath Mohanty	Independent, Non-Executive	4	0

* Mr. Subhash Chand Ahuja vacated the office of Director on 26th September 2017 and in his place Mr. Rabindra Nath Mohanty was appointed as Independent Director and inducted in to the Audit Committee.

The Chairman of the Committee attended the Annual General Meeting of the Company. The Company Secretary acts as the Secretary to the Audit Committee. The Committee performs the functions enumerated in Section 177 of the Companies Act, 2013.

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises of Four (4) 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, Four (4) meetings were held viz; May 24, 2017, July 25, 2017, November 18, 2017 and February 28, 2018. The constitution and attendance of the Committee as on March 31, 2018 was as under:

Sl.No.	Name of the Member	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	4	4
2	Dr. Atul Kapoor	Managing Director	4	4
3	Dr. Rashmi Kapoor	Executive Director	4	4
4	Mr. Rajiv Kumar Bakshi	Independent, Non- Executive	4	4

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. Rabindra Nath Mohanty and Mr. Rajiv Kumar Bakshi, are the members of the Committee. During the year, one (1) meeting was held viz: May 24, 2017. The constitution of the Committee and attendance as on March 31, 2018 was as under:

Sl. 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
4.	Mr. Rabindra Nath Mohanty (Member)	Independent, Non- Executive	0	0

* Mr. Subhash Chand Ahuja vacated the office of Director on 26th September 2017 and in his place Mr. Rabindra Nath Mohanty was appointed as Independent Director and inducted in to the Nomination and Remuneration Committee.

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 were held on December 01, 2017. All the members of the Committee were present in the meeting held on December 01, 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

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. Rabindra Nath Mohanty and Mr. Rajiv Kumar Bakshi, are the members of the Committee. During the year under review, Mr. Subhash Chand Ahuja vacated the office of Director on 26th September 2017 and in his place Mr. Rabindra Nath Mohanty was appointed as Independent Director. During the year under review, the Independent Directors met on February 28, 2018 inter alia to discuss:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- iii. 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. Rajiv Kumar Bakshi were present in the meeting held on February 28, 2018 while leave of absence was granted to Mr. Rabindra Nath Mohanty 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, 2018, 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.

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 2017-18 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 2017-18 and the date of the report which had affected the going concern status of the Company.

However, during the Current Financial Year 2018-19, the Company had filed necessary papers for merger of its wholly owned subsidiary namely, HCG Regency Oncology Healthcare Private Limited with the Company under section 233 of the Companies Act, 2013. The Company had recently received the order dated 29.11.2018 passed by Regional Director, New Delhi confirming merger. As the appointed date for the merger is 01st April, 2017, the financials of the Company for the F.Y 2017-18 has been prepared accordingly.

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, 2018.

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.

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.

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.

DIRECTORS & KEY MANAGERIAL PERSONNEL

At the 28th Annual General Meeting of the company held on 26th September, 2017, the company had appointed Mr. Rabindra Nath Mohanty (DIN No-07895550) as Independent Director of the Company under the Companies Act, 2013 for a period of Three (3) years. The said appointment was made due to cessation of Mr. Subhash Chand Ahuja at the 28th Annual General Meeting due to expiry of his period of his office.

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.

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:-

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.

Sibling 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 2018 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 Chandio & 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.

However, in accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

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 2018-19 at a remuneration of Rs.27,500/- (Rupees Twenty Seven Thousand Five Hundred 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 28th June, 2018 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, 2018 to 30th June, 2020.

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.

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.

However, the Company along with two Directors namely Atul Kapoor and Rashmi Kapoor has been found guilty of violation of section 15-A(b) & 15HA of SEBI Act, 1992 and accordingly penalty has been imposed on the Company by Securities and Exchange Board of India (SEBI) under aforesaid sections amounting to Rs. 500,000 (Rupees Five Lacs) and Rs. 1,500,000 (Rupees Fifteen lacs) respectively.

Additionally, separate penalty had also been imposed on two Directors of the Company namely Atul Kapoor and Rashmi Kapoor amounting to Rs.25,00,000/- (Rupees Twenty Five lacs) each in their individual capacity.

Company had received the orders from SEBI and is contemplating to file an appeal against these orders before the Securities Appellate Tribunal.

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 2017-18 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

Place: Kanpur
Date: 14.12.2018

Sd/-
(Dr. Atul Kapoor)
Managing Director

Sd/-
(Dr. Rashmi Kapoor)
Whole-time Director

FORM NO. MGT 9	
EXTRACT OF ANNUAL RETURN	
as on financial year ended on 31st March 2018	
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.	

I REGISTRATION & 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 & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Hospital Activity	86100	99%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Regency Nephrocare Pvt. Ltd.	U85191UP2013PTC058477	Associate Company	49%	2(6)
2	Sibling Lifecare Pvt. Ltd.	U85100UP2014PTC062031	Wholly Owned Subsidiary	100.00%	2(87)

Note

The Company had one wholly owned subsidiary as on 31st March, 2018, namely, HCG Regency Oncology Healthcare Pvt. Ltd. which was merged

with Regency Hospital Limited vide order passed by the Regional Director, New Delhi dated 29th November, 2018.

The appointed date for the Merger was 01st April, 2017

IV

SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8895885	4370	8900255	66.18%	8896855.00	56370	8953225	66.58%	0.39%
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
SUB TOTAL:(A) (1)	8895885	4370	8900255	66.18%	8896885.00	56370	8953255.00	66.58%	0.39%
(2) Foreign									
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
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter									
(A)= (A)(1)+(A)(2)	8895885	4370	8900255	66.18%	8896885	56370	8953255	66.58%	0.39%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	10	510	520	0.00%	10	460	470	0.00%	0.00%
b) Banks/FI	52800	0	52800	0.56%	800	0	800	0.01%	-0.55%
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 *	2683543	0	2683543	19.95%	2683543	0	2683543	19.95%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (Alternate Investment fund) *	368942	0	368942	2.74%	660700	0	660700	4.91%	2.17%
SUB TOTAL (B)(1):	3105295	510	3105805	23.25%	3345053	460	3345513	24.87%	1.62%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	14890	65371	80261	0.60%	74506	0	74476	0.55%	-0.05%
ii) Overseas *	1036912	0	1036912	7.71%	745154	0	745154	5.54%	5.54%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	89575	227095	316670	2.35%	94860	226605	321465	2.39%	0.04%
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	300	0	300	0.00%	300	0	300	0.00%	0.00%
ii) Hindu Undivided Family	7552	310	7862	0.06%	7592	310	7902	0.06%	0.00%
iii) Clearing Members	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(2):	1149229	292776	1442005	10.72%	922412	226915	1149297	8.54%	-2.18%
Total Public Shareholding (B)= (B)(1)+(B)(2)	4254524	293286	4547810	23.71%	4267465	227375	4494810	33.42%	9.71%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	13150409	297656	13448065	100%	13164350	283745	13448065	100%	0

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders 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	8.79%	-	1182523	8.79%	-	0.00%
2	Atul Kapoor	2649260	19.70%	28.69%	2702260	20.09%	28.13%	0.39%
3	Arun Kapoor HUF	52272	0.39%	-	52272	0.39%	-	0.00%
4	Arun Kapoor	5000	0.04%	-	5000	0.04%	-	0.00%
5	Soni Kapoor	649210	4.83%	-	649210	4.83%	-	0.00%
6	Anant Ram Kapoor	886252	6.59%	-	886252	6.59%	-	0.00%
7	Rashmi Kapoor	3231030	24.03%	63.07%	3231030	24.03%	63.07%	0.00%
8	Abhishek Kapoor	177508	1.32%	-	177508	1.32%	-	0.00%
9	Arun Akshat Kapoor HUF	67200	0.50%	-	67200	0.50%	-	0.00%
	Total	8900255	66.18%	-	8953255	66.58%	-	0.39%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	Dr. Atul Kapoor				
	At the beginning of the year	2649260	19.70%		
	(21.04.2017) Purchase from open market 52000 no. of shares			2701260	20.09%
	(05.05.2017) Purchase from open market 1000 no. of shares			2702260	20.09%
	At the end of the year			2702260	20.09%

2	Dr. Rashmi Kapoor				
	At the beginning of the year	3231030	24.03%		
	At the end of the year			3231030	24.03%

3	Mr. Anant Ram Kapoor				
	At the beginning of the year	886252	6.59%		
	At the end of the year			886252	6.59%

4	Atul Kapoor HUF				
	At the beginning of the year	1182523	8.79%		
	At the end of the year			1182523	8.79%

5	Arun Kapoor HUF				
	At the beginning of the year	52272	0.39%		
	At the end of the year			52272	0.39%

6	Arun Kapoor				
	At the beginning of the year	5000	0.04%		
	At the end of the year			5000	0.04%

7	Soni Kapoor				
	At the beginning of the year	649210	4.83%		
	At the end of the year			649210	4.83%

8	Abhishek Kapoor				
	At the beginning of the year	177508	1.90%		
	Percentage Change due to increase of Paid Up capital			177508	1.32%
	At the end of the year			177508	1.32%

9	Arun Akshat Kapoor HUF				
	At the beginning of the year	67200	0.72%		
	Percentage Change due to increase of Paid Up capital			67200	0.50%
	At the end of the year			67200	0.50%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

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	International Finance Corporation				
	At the beginning of the year	2683543	19.95%		
	At the end of the year			2683543	19.95%
2	Kois Holdings				
	At the beginning of the year	1036912	7.71%		
	Sale of Shareholding dt.08/09/2017 of 291758 shares				
	At the end of the year			745154	5.54%
3	Healthquad Fund				
	At the beginning of the year	368942	2.74%		
	Purchase of Shareholding dt.08/09/2017 of 291758 shares				
	At the end of the year			660700	4.91%
4	Industrial Finance Corporation of India				
	At the beginning of the year	52000	0.56%		
	At the end of the year			0	0.00%
5	Luxmi Township Limited				
	At the beginning of the year	41166	0.31%		
	At the end of the year			41166	0.31%

6	RNK Finance and INV Pvt. Ltd.				
	At the beginning of the year	14430	0.11%		
	At the end of the year			14430	0.11%

7	Master Capital Services Limited				
	At the beginning of the year	12010	0.09%		
	At the end of the year			12010	0.09%

8	Mr. Arvind Champalal Jain				
	At the beginning of the year	9731	0.07%		
	At the end of the year			9731	0.07%

9	Mr. Nirmal Kheria				
	At the beginning of the year	5412	0.04%		
	At the end of the year			5412	0.04%

10	Ms. Priti Kheria				
	At the beginning of the year	5290	0.04%		
	At the end of the year			5290	0.04%

11	Mr. Chirag Navinchandra Shah				
	At the beginning of the year	5108	0.04%		
	At the end of the year			5108	0.04%

(v) Shareholding of Directors & KMP

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	Dr. Atul Kapoor				
	At the beginning of the year	2649260	19.70%		
	(21.04.2017) Purchase from open market 52000 no. of shares			2701260	20.09%
	(05.05.2017) Purchase from open market 1000 no. of shares			2702260	20.09%
	At the end of the year			2702260	20.09%

2	Dr. Rashmi Kapoor				
	At the beginning of the year	3231030	24.03%		
	At the end of the year			3231030	24.03%

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	1,07,35,44,747.49	1,05,82,101.55	-	1,08,41,26,849.04
ii) Interest due but not paid	33,16,341.00		-	33,16,341.00
iii) Interest accrued but not due	22,52,560.00	1,20,080.00	-	23,72,640.00
Total (i+ii+iii)	1,07,91,13,648.49	1,07,02,181.55	-	1,08,98,15,830.04
Change in Indebtedness during the financial year				
Additions	67,78,16,028.40	-	-	67,78,16,028.40
Reduction	43,81,04,859.36	72,22,715.80	-	44,53,27,575.16
Net Change	23,97,11,169.04	72,22,715.80	-	1,12,31,43,603.56
Indebtedness at the end of the financial year				
i) Principal Amount	71,42,25,127.91	33,53,234.66	-	71,75,78,362.57
ii) Interest due but not paid	78,41,960.79	-	-	78,41,960.79
iii) Interest accrued but not due	32,07,082.00	36,475.00	-	32,43,557.00
Total (i+ii+iii)	72,52,74,170.70	33,89,709.66	-	72,86,63,880.36

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the MD/WT/Manager		Total Amount
1	Gross salary	Dr. Atul Kapoor	Dr.Rashmi Kapoor	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,05,99,996.00	84,00,000.00	1,89,99,996.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2,07,842.00	-	2,07,842.00
	(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			
5	Others-Leave Encashment	1,59,677.00	1,45,161.00	3,04,838.00
	Total (A)	1,09,67,515.00	85,45,161.00	1,95,12,676.00
	Ceiling as per the Act	1,68,00,000.00	1,68,00,000.00	3,36,00,000.00

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	Mr. Anil Kumar Khemka	Mr. Subhash Chand Ahuja	Mr. Rajiv Kumar Bakshi	Mr. Rabindra Nath Mohanty	Mr. Charles Antonie Janseen	
	(a) Fee for attending board /committee meetings	80,000.00	30,000.00	60,000.00	10,000.00	-	1,80,000.00
	(b) Commission	-	-	-	-	-	
	(c) Others, please specify (Travelling)	-	2,880.00	-	-	-	2,880.00
	Total (1)	80,000.00	32,880.00	60,000.00	10,000.00	-	1,82,880.00
2	Other Non Executive Directors						
	(a) Fee for attending board /committee meetings	-	-	-		30,000.00	30,000.00
	(b) Commission	-	-	-		-	-
	(c) Others, please specify.	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	80,000.00	32,880.00	60,000.00	10,000.00	30,000.00	2,12,880.00

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
1	Gross Salary	Company Secretary	CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	10,15,584.00	13,50,000.00	23,65,584.00
	(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	43,207.00	54,972.00	98,179.00
	Total	10,58,791.00	14,04,972.00	24,63,763.00

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/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

Sl. No.	Particulars	Details
a	Name (s) of the related party & nature of relationship	NIL
b	Nature of contracts/arrangements/transaction	NIL
c	Duration of the contracts/arrangements/transaction	NIL
d	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e	Justification for entering into such contracts or arrangements or transactions'	NIL
f	Date 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 arrangements or transactions at Arm's length basis.

Sl. No.	Particulars								
a	Name of the related party	Dr. Rashmi Kapoor	Dr. Atul Kapoor	Mr. Anant Ram Kapoor	Mrs. Jhanvi Kapoor	Mr. Arun Kapoor	Mr. Abhishek Kapoor	Regency Nephrocare Pvt. Ltd.	Sibling Lifecare Pvt. Ltd.
b	Nature of relationship	Whole Time Director	Managing Director	Relative of Managing Director	Relative of Managing Director	Relative of Managing Director	Relative of Managing Director	Associate Company	Wholly-owned Subsidiary Company
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	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	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
d	Duration of approval / arrangements/transactions	One year w.e.f 01.04.2017	One year w.e.f 01.04.2017	One year w.e.f 01.04.2017	One year w.e.f 01.04.2017	One year w.e.f 01.04.2017	One year w.e.f 01.04.2017	One year w.e.f 01.04.2017	One year w.e.f 01.04.2017
e	Salient Terms of the contracts/ arrangements/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	Salary for office or place of profit	1. Receving Rent for Leasing of Land & Building situated at Renal, Swaroop Nagar, Kanpur 2. Receving 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-208005
f	Justification for entering into such contracts/ arrangements/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	At Arms length basis	At Arms length basis
g	Date of approval by the Board	25.07.2017	25.07.2017	25.07.2017	25.07.2017	25.07.2017	25.07.2017	25.07.2017	25.07.2017
h	Amount incurred during the year (Rs.)	1. Rs. 85,45,161 /- 2. Rs.39,00,000/- 3. Rs.1,00,89,809/- 4. Rs.33,40,492/-	1. Rs. 10,967,515 /- 2. Rs.9,90,000/-	1. Rs.1,80,000/- 2. Rs.73,89,000/-	Rs.4,81,694/-	Rs.15,75,000/-	Rs.45,00,000/-	1. Rs.42,72,087/- 2. Rs.17,73,467/- 3. Rs.6,18,64,735/- 4. Rs.2,11,192/-	1. Rs.70,350/-

											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	1,09,67,515.00	Permanent	MBBS & MS	37 Yrs	08/06/1987	61 Yrs	Since Inception	20.09%	Yes
2	Dr. Rashmi Kapoor	Whole-Time Director	85,45,161.00	Permanent	MBBS & MD	37 Yrs	08/06/1987	61 Yrs	Since Inception	24.03	Yes
3	Dr. Vikas Bhargava	Centre Head (GN)	20,16,000.00	Permanent	BAMS, PG DIPLOMA IN HOSP MANAGEMENT, MBA (Correspondence)	25 Yrs	15/02/2016	50 Yrs	Shubham Hospital	NIL	No
4	Mr. Salim Hussain Rizvi	VP Marketing	21,02,071.00	Permanent	B.A, Certificate in Hotel Management	17 Yrs	23/02/2015	51 Yrs	Metro Hospital	NIL	No
5	Dr. Surendra Kumar	Jr. Consultant	18,90,000.00	Permanent	MBBS, MD (Anesthesia), Fellowship	1 Yr	14/09/2015	35 Yrs	SNMC, Agra	NIL	No
6	Mr. Gunjan Kumar	Chief Information Officer	31,53,125.00	Permanent	MBA (IT), BE	19 Yrs	01/02/2014	43 Yrs	I2K2 Networks	NIL	No
7	Dr. Neha Singh Agrahari	Clinical Associate	17,90,323.00	Permanent	MBBS, MD (Radiodiagnosis)	Nil	18/08/2017	29 Yrs	NA	NIL	No
8	Ms. Ruby Shrivastava	Anesthetist	24,20,000.00	Permanent	MD (Anesthesia)	16 Yrs	01/08/2012	49 Yrs	Private Practice	NIL	No
9	Mr. Abhishek Kapoor	Sr-Vice President- Strategy	45,00,000.00	Permanent	MBA	9 Yrs	03/07/2012	30 Yrs	Davita Inc Denver Colorado, USA	1.32	Yes
10	Mr. Shadab Rasool Siddiqui	Technical Supervis	21,82,259.00	Permanent	Certificate Course in OT	31 Yrs	01/03/1995	60 Yrs	Batra Hospital	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:

Conservation of Energy : (i) the steps taken or impact on conservation of energy (ii) the steps taken by the company for utilizing alternate sources of energy (iii) the capital investment on energy conservation equipment;	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.
Technology absorption : (i) the efforts made towards technology absorption (ii) the benefits derived like product improvement, cost reduction, product development or import substitution (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a. the details of technology imported b. the year of import; c. whether the technology been fully absorbed d. if not fully absorbed,	Updation of Technology is a Continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to implement new machines required in the Healthcare Industry. By the updated use of technology and new machines, company has been able to successfully retain the patient's confidence with respect to its improved treatment. Company is coupled with a team of qualified Doctors and latest available diagnosis machines. NIL

<p>areas where absorption has not taken place, and the reasons thereof</p> <p>(iv) the expenditure incurred on Research and Development.</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>(C) Foreign exchange earnings and Outgo</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>

ANNEXURE-E

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 2017-18 Link: http://regency.zmotpro.com/wp-content/uploads/Corporate-Social-Responsibility-Policy.pdf
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. 4,09,19,450.33
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 Above).	Rs.818,389.01
5. Details of CSR spent during the financial year 2017-18 (a) Total amount to be spent for the financial year 2017-18 (b) Amount unspent, if any	Rs.818,389.01 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.818,389.01	Rs.9,00,000/-	Rs.9,00,000/-	Implementing Agency*
TOTAL				Rs.818,389.01	Rs.9,00,000/-	Rs.9,00,000/-	

**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.*

6. 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**

7. The Committee ensures that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

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	Sibling Lifecare Private Limited
2.	Date since when subsidiary was acquired	Since Incorporation dated 17.01.2014
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2017 to 31/03/2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A
4.	Share Capital	100,000
5.	Reserves & Surplus	(846,871)
6.	Total Assets	11,086,107
7.	Total Liabilities	11,086,107
8.	Investments	0
9.	Turnover	0
10.	Profit /(Loss) before taxation	(14,54,896)
11.	Provision for taxation	35872
12.	Profit /(Loss) after taxation	(14,90,768)
13.	Proposed Dividend	0
14.	Extent of shareholding (in percentage)	100%

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 Regency Hospital Limited

Sd/-
Dr. Atul Kapoor
Managing Director

Sd/-
Dr. Rashmi Kapoor
Whole-Time Director

Place : Kanpur
Date : 14.12.2018

Sd/-
Deepak Kumar Gupta
Chief Financial Officer

Sd/-
Rishi Tandon
Company Secretary

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	Regency Nephrocare Private Limited
1.Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of Shares	14,21,000
Amount of Investment in Associates/Joint Venture	1,42,10,000
Extend of Holding%	49%
3.Description of how there is significant influence	Shareholding more than 20% of total voting power of Company
4.Reason why the associate/joint venture is not consolidated	Not Applicable
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs.23,785,470/-
6.Profit/Loss for the year	
i. Considered in Consolidation	Rs.33,84,269/-
ii. Not Considered in Consolidation	Not Applicable

Notes:-

- Names of associates or joint ventures which are yet to commence operations –NONE
- Names of associates or joint ventures which have been liquidated or sold during the year - NONE

For Regency Hospital Limited

Sd/-
Dr. Atul Kapoor
Managing Director

Sd/-
Dr. Rashmi Kapoor
Whole-Time Director

Place : Kanpur
Date : 14.12.2018

Sd/-
Deepak Kumar Gupta
Chief Financial Officer

Sd/-
Rishi Tandon
Company Secretary

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 2018, 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 2018, and its loss and its cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statements of HCG Regency Oncology Healthcare Private Limited ("Transferor Company"), (refer note 40 to the financial statements) whose financial statements reflect total assets of ₹ 1,096,190,425 and net assets of ₹ 282,575,844 as at 31 March 2018, total revenues of ₹ 107,742,591 and net cash outflows amounting to ₹ 688,669 for the year ended on that date, as considered in these merged financial statements. The financial statements of the Transferor Company have been audited by other auditors whose report has been furnished to us by the management and our opinion on these merged financial statements, in so far as it relates to the amounts and disclosures included in respect of the Transferor Company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid Transferor Company, is based solely on the reports of the other auditors.

Our opinion above on the merged 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 auditor and the financial statements of the Transferor Company.

Report on Other Legal and Regulatory Requirements

10. 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.
11. Further to our comments in Annexure 1, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 2018 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 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 14 December 2018 as per Annexure 2 expressed unmodified opinion;

- 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 36 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;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Sd/-

Sumit Mahajan
Partner
Membership No.: 504822

Place: Kanpur
Date: 14 December 2018

Annexure 1 to the Independent Auditor's Report of even date to the members of Regency Hospital Limited, on the standalone financial statements for the year ended 31 March 2018

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 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 2018	Net block on 31 March 2018	Remarks
Land	1	Leasehold	69,114,402	68,294,958	Refer note 14 to financial statements

- (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 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.

Annexure 1 to the Independent Auditor's Report of even date to the members of Regency Hospital Limited, on the standalone financial statements for the year ended 31 March 2018

- (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

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders 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 the 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (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 Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Sumit Mahajan
Partner
Membership No.: 504822

Place: Kanpur
Date: 14 December 2018

Annexure 2 to the Independent Auditor's Report of even date to the members of Regency Hospital Limited on the standalone financial statements for the year ended 31 March 2018

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 at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at 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 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 Company's IFCoFR 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 on Audit of Internal Financial Controls Over Financial Reporting ('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 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 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, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, 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.

9. Other Matters

We did not audit the IFCoFR in so far as it relates to financial statements of HCG Regency Oncology Healthcare Private Limited ("Transferor Company"), (refer note 40 to the financial statements) whose financial statements reflect total assets of ₹ ₹ 1,096,190,425 and net assets of ₹ 282,575,844 as at 31 March 2018, total revenues of ₹ 107,742,591 and net cash outflows amounting to ₹ 688,669 for the year ended on that date, as considered in the merged financial statements. The IFCoFR in so far as it relates to the Transferor Company has been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for these merged financial statements, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to the Transferor Company is based solely on the reports of the auditors of the Transferor Company. Our opinion is not

**Annexure 2 to the Independent Auditor's Report of even date to the members of
Regency Hospital Limited on the standalone financial statements for the year ended
31 March 2018**

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

Sd/-
Sumit Mahajan
Partner
Membership No.: 504822

Place: Kanpur
Date: 14 December 2018

Regency Hospital Limited
Balance Sheet as at 31 March 2018
(All amounts are in rupees, unless otherwise stated)

	Notes	As at 31st March 2018	As at 31st March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	5	13,44,80,650	13,44,80,650
Reserves and surplus	6	1,19,18,26,217	1,21,72,55,294
		1,32,63,06,867	1,35,17,35,944
Non-current liabilities			
Long-term borrowings	7	1,15,12,70,764	56,38,21,057
Deferred tax liabilities (net)	8	3,44,22,304	2,31,75,215
Other long-term liabilities	9	14,41,92,851	6,85,36,367
Long-term provisions	10	1,37,21,327	1,70,14,419
		1,34,36,07,246	67,25,47,058
Current liabilities			
Short-term borrowings	11	14,86,57,827	7,82,36,184
Trade payables	12		
- Dues of micro enterprises and small enterprises		1,50,547	-
- Dues of creditors other than micro enterprises and small enterprises		18,62,67,796	15,23,19,990
Other current liabilities	13	54,21,84,135	24,36,05,034
Short-term provisions	10	58,44,858	75,68,023
		88,31,05,163	48,17,29,231
Total			
		3,55,30,19,276	2,50,60,12,233
ASSETS			
Non-current assets			
Fixed assets			
Property, Plant and Equipment	14	2,57,44,04,041	91,04,43,888
Intangible assets	14	64,49,156	-
Capital work-in-progress	14	9,10,93,861	12,95,09,817
Intangible assets under development	14	80,12,854	40,79,923
Non-current investments	15	1,43,10,000	14,92,61,744
Long-term loans and advances	16	18,72,27,026	12,37,48,893
Other non-current assets	21	33,26,723	28,97,321
		2,88,48,23,661	1,31,99,41,586
Current assets			
Current investments	17	4,70,54,052	75,52,07,720
Inventories	18	7,69,89,904	5,22,54,845
Trade receivables	19	29,26,84,512	32,25,31,553
Cash and bank balances	20	21,13,59,698	3,71,99,843
Short-term loans and advances	16	1,81,10,808	53,76,551
Other current assets	21	2,19,96,641	1,35,00,135
		66,81,95,615	1,18,60,70,647
Total			
		3,55,30,19,276	2,50,60,12,233

Notes 1 to 42 form an integral part of these financial statements
In terms of our report attached

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

Sd/-
Sumit Mahajan
Partner
Membership No.: 504822

Place : Kanpur
Date : 14 December 2018

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

Sd/-
Dr. Atul Kapoor
Managing Director
DIN- 01449229

Sd/-
Dr. Rashmi Kapoor
Director
DIN- 01818323

Sd/-
Rishi Tandon
Company Secretary

Sd/-
Deepak Gupta
Chief Financial Officer

Place : Kanpur
Date : 14 December 2018

Regency Hospital Limited
Statement of profit and loss for the year ended 31 March 2018
(All amounts are in rupees, unless otherwise stated)

	Notes	For the Year ended 31 March 2018	For the year ended 31 March 2017
REVENUE			
Revenue from operations	22	1,76,90,16,345	1,48,68,60,021
Other income	23	5,41,38,913	1,68,22,705
Total revenue		1,82,31,55,258	1,50,36,82,726
EXPENSES			
Consumption of pharmacy, surgical and kitchen items	24	39,04,85,316	34,91,44,519
Employee benefits expense	25	35,10,40,262	30,46,50,713
Finance costs	26	11,08,10,455	8,36,47,819
Depreciation and amortisation expense	27	10,01,31,620	5,60,01,284
Other expenses	28	84,05,86,854	67,33,30,978
Prior period items	29	(48,39,963)	-
Total expenses		1,78,82,14,544	1,46,67,75,313
Profit before tax		3,49,40,713	3,69,07,414
Tax expense			
- Current tax		82,60,897	1,71,34,946
- Current tax relating to earlier year		(20,10,270)	-
- Deferred tax		52,60,229	(46,29,526)
- Deferred tax relating to earlier year		82,20,367	18,90,277
- Minimum Alternate Tax (MAT) credit entitlement		(82,60,897)	-
Profit/(loss) for the year		2,34,70,388	2,25,11,717
Earnings per equity share (nominal value ₹ 10)	30		
Basic and diluted		1.75	2.32

Notes 1 to 42 form an integral part of these financial statements
In terms of our report attached

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

Sd/-
Sumit Mahajan
Partner
Membership No.: 504822

Place : Kanpur
Date : 14 December 2018

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

Sd/-
Dr. Atul Kapoor
Managing Director
DIN- 01449229

Sd/-
Dr. Rashmi Kapoor
Director
DIN- 01818323

Sd/-
Rishi Tandon
Company Secretary

Sd/-
Deepak Gupta
Chief Financial Officer

Place : Kanpur
Date : 14 December 2018

Regency Hospital Limited
Cash flow statement for the year ended 31 March 2018
(All amounts are in rupees, unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before tax	3,49,40,713	3,69,07,414
Adjustments for:		
Depreciation expense	10,01,31,620	5,60,01,284
Interest expense	11,08,10,455	8,36,47,819
Interest income	(79,08,355)	(4,12,520)
Loss on sale of fixed asset(net)	8,02,170	9,580
Profit on sale of current investments	(2,95,70,682)	(9,060)
Provision for doubtful debts	35,76,024	74,45,295
Credit balances written back	-	(5,42,191)
Bad debts	3,63,13,403	2,97,67,713
Provisions no longer required written back	(56,31,898)	-
Operating profit before working capital changes	24,34,63,450	21,28,15,334
Adjustments for movement in:		
Increase in trade payables	3,40,98,353	4,30,81,067
Increase in provisions and other liabilities	4,73,28,434	2,52,58,613
(Increase) in trade receivables	(1,00,42,386)	(9,53,20,263)
Decrease/(Increase) in loans and advances and other assets	(5,35,21,053)	3,20,03,082
(Increase)/decrease in inventories	(2,47,35,059)	(38,04,721)
Cash generated from operations	23,65,91,739	21,40,33,112
Less: Taxes paid (net)	(2,23,233)	(2,46,15,046)
Net cash generated from operating activities	23,63,68,505	18,94,18,065
B Cash flow from investing activities		
Purchase of fixed assets (including capital work in progress and movement in creditors for capital goods and capital advances)	(1,48,09,87,064)	(21,66,83,222)
Proceeds from sale of fixed assets	25,02,314	1,80,59,288
Interest received	15,02,350	67,579
(Purchase) of/proceeds from non-current investments	13,49,51,744	(5,24,46,273)
Adjustment pursuant to the scheme of arrangment (refer note 40)	(4,88,99,466)	-
Purchase of current investments	(2,14,25,000)	(75,53,82,720)
Proceeds from sale of current investments	75,91,49,350	6,49,060
Investment in bank deposits (having original maturity of more than three months)	(16,97,53,530)	(66,99,348)
Net cash used in investing activities	(82,29,59,302)	(1,01,24,35,636)
C Cash flow from financing activities		
Proceeds from issuance of equity share capital (including securities premium)	-	92,82,93,119
Movement in short-term borrowings (net)	7,04,21,643	(6,13,90,627)
Proceeds from long-term borrowings	71,67,72,760	42,34,80,076
Repayment of long-term borrowings	(8,86,30,386)	(38,17,27,822)
Interest paid	(10,75,66,898)	(8,12,75,179)
Net cash generated from/(used in) financing activities	59,09,97,121	82,73,79,567
Net increase in cash and cash equivalents	44,06,325	43,61,997
Cash and cash equivalents at the beginning of the year	2,92,32,767	2,48,70,770
Cash and cash equivalents at the end of the year	3,36,39,092	2,92,32,767

Regency Hospital Limited**Cash flow statement for the year ended 31 March 2018***(All amounts are in rupees, unless otherwise stated)*

	For the year ended 31st March 2018	For the year ended 31st March 2017
D Cash and bank balances		
Cash on hand	34,68,333	24,69,982
Cheques on hand	-	4,37,425
Balances with banks in current accounts	3,01,70,759	2,63,25,360
	3,36,39,092	2,92,32,767

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 42 form an integral part of these financial statements

In terms of our report attached

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Sumit Mahajan

Partner

Membership No.: 504822

For and on behalf of the Board of Directors of

Regency Hospital Limited

Sd/-

Dr. Atul Kapoor

Managing Director

DIN- 01449229

Sd/-

Dr. Rashmi Kapoor

Director

DIN- 01818323

Sd/-

Rishi Tandon

Company Secretary

Sd/-

Deepak Gupta

Chief Financial Officer

Place : Kanpur

Date : 14 December 2018

Place : Kanpur

Date : 14 December 2018

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

These financial statements of the Company have been prepared using recognition and measurement principles 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).

These financial statements have been prepared on a going concern basis under the historical cost convention on the accrual basis. The accounting policies on recognition and measurement principles 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.

Regency Hospital Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

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.

Regency Hospital Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

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 year 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.

Intangible assets are amortised over the period of 5 years on a straight line method.

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 year 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.

Regency Hospital Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

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 year 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 year 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 year 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.

Regency Hospital Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018

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 year 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

- a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- b) 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”.
- c) 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 year 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.

5 Share capital

	As at 31st March 2018		As at 31st March 2017	
	Number	Amount	Number	Amount
Authorised share capital				
Equity shares of ₹ 10 each	5,50,00,000	55,00,00,000	2,00,00,000	20,00,00,000
	5,50,00,000	55,00,00,000	2,00,00,000	20,00,00,000
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	1,34,48,065	13,44,80,650	1,34,48,065	13,44,80,650
	1,34,48,065	13,44,80,650	1,34,48,065	13,44,80,650

(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	1,34,48,065	13,44,80,650	93,58,668	9,35,86,680
Add : Issued during the year	-	-	40,89,397	4,08,93,970
Balance at the end of the year	1,34,48,065	13,44,80,650	1,34,48,065	13,44,80,650

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

	Number	% of shareholding	Number	% of shareholding
Dr. Rashmi Kapoor	32,31,030	24.03%	32,31,030	24.03%
Dr. Atul Kapoor	27,02,260	20.09%	26,49,210	19.70%
Atul Kapoor (HUF)	11,82,523	8.79%	11,82,523	8.79%
Anant Ram Kapoor	8,86,252	6.59%	8,86,252	6.59%
Soni Kapoor	6,49,210	4.83%	6,49,210	4.83%
International Finance Corporation	26,83,543	19.95%	26,83,543	19.95%
Kois Holdings	7,45,154	5.54%	10,36,912	7.71%

6 Reserves and surplus

Securities premium reserve

	As at 31 March 2018	As at 31 March 2017
Balance at the beginning and end of the year	89,73,70,149	99,71,000
Add: Additions during the year (refer note (a) below)	-	88,73,99,149
Less: Adjustment pursuant to scheme of arrangement (refer note 40)	(4,51,67,515)	-
	85,22,02,634	89,73,70,149

General reserve

Balance at the beginning and end of the year	11,87,40,101	11,87,40,101
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Surplus in the statement of profit and loss

Balance at the beginning of the year	20,11,45,045	17,86,33,328
Add : Profit for the year	2,34,70,388	2,25,11,717
Add : Adjustment pursuant to the scheme of arrangement (refer note 40)	(37,31,951)	-
Balance at the end of the year	22,08,83,482	20,11,45,045
	1,19,18,26,217	1,21,72,55,294

(a) During the previous year ended 31 March 2017, 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 ₹ 227 per share including securities premium of ₹ 217 per share.

Regency Hospital Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018***(All amounts are in rupees, unless otherwise stated)***7 Long-term borrowings****Secured**

Term loan from banks and financial institutions (refer note (a) below)	1,26,07,63,016	62,69,74,602
Vehicle loans from banks and financial institutions (refer note (b) below)	1,45,86,084	1,31,71,463
Buyers credit (refer note (c) below)	37,45,028	35,76,822
	<u>1,27,90,94,128</u>	<u>64,37,22,887</u>
Less: Current maturities of long-term borrowings (refer note 13)	<u>12,79,86,600</u>	<u>8,32,61,216</u>
	<u>1,15,11,07,528</u>	<u>56,04,61,671</u>

Unsecured

Term Loans from banks (refer note (d) below)	3,46,217	23,78,278
Term Loans financial institutions (refer note (e) below)	30,07,018	82,03,823
Less: Current maturities of long-term borrowings (refer note 13)	<u>31,89,999</u>	<u>72,22,716</u>
	<u>1,63,236</u>	<u>33,59,385</u>
	<u>1,15,12,70,764</u>	<u>56,38,21,057</u>

(This space has been intentionally left blank)

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 loans from banks

Name of bank / financial institution	As at 31 March 2018	As at 31 March 2017	Repayment terms	Details of security																						
HDFC Bank	1,46,26,635	1,79,19,994	06 Equated Monthly Instalments (EMIs) of ₹ 211,614 per month beginning from 20 August 2015 and thereafter 69 EMIs of ₹ 427,274 per month till 20 October 2021.	Secured by way of charge on movable plant and machinery, and other fixed assets.																						
Yes Bank Limited	14,84,58,232	18,00,96,871	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	2,83,34,541	3,31,23,477	Duration: 96 Months (including 12 Months Moratorium), 4 quarterly instalment of ₹ 798,156 per quarter beginning from 30 September 2015 and 8 quarterly instalment of ₹ 1,197,234 per quarter. Beginning from 30 September 2016 and 4 quarterly Instalment of ₹ 1,396,773 per quarter. Beginning from 30 September 2018 and 4 quarterly instalment of ₹ 1,596,312 per quarter beginning from 30 September 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	3,80,00,000	4,60,00,000	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	14,24,00,000	9,79,00,000	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	2,31,19,367	3,68,58,267	36 Equated Monthly Instalment (EMI's) of ₹ 1,400,036, beginning from 1 October 2016 and 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	4,31,06,814	4,55,00,000	Duration: 96 Months (including 12 Months Moratorium), 84 Equated Monthly Installments of ₹ 762,425/- beginning from 1 October 2017 to 1 September 2024.	3. Hypo-thecation 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	7,98,76,310	8,00,00,000	Duration: 102 Months (including 18 Months Moratorium), 84 Equated Monthly Installments of ₹ 1,340,528/- beginning from 1 April 2018 and ending on 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																						
HDFC Bank	8,15,22,370	8,95,75,993	102 Equated Monthly Instalment (EMI's) of ₹ 1,383,869, beginning from 5 September 2016 and ending on 5 February 2025.	c) 117/101, K-Block Kakadeo Hospital Kanpur, UP																						
HDFC Bank	3,71,78,747	-	Equated Monthly Instalments (EMIs) of ₹ 556,708	1. First and exclusive charge on all current assets (Stock, consumables and book debts of Regency Hospital Limited (Both presnt & future of MSH)																						
HDFC Bank	5,38,40,000	-	Equated Monthly Instalments (EMIs) of ₹ 757,122	2. First and exclusive charge on fixed assets (movable & immovable) including Land & Building of Regency Hospital Limited (both current & future of MSH) 3. First & exclusive charge thur equitable mortgage of Regency Hospital Limited 4. Hypo-thecation and exclusive charge on plant & machinery & other assets of the company RHL-MSH facility (Both current & future) 5. Co-applicancy/Personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor and Mr. A.R. Kapoor. SPDC with SI for all activities as per bank requirement from company and promoters. 6. The customer has to ensure insurance cover against all risk on the equipment financed . The said policy to be endorsed in the name of Hdfe Bank Ltd. 7. Hedging of Fx exposures as appointed by the bank , General Insurance for all assets to be lien marked in favor of HDFC Bank Ltd. as the first loss payee as applicable. 5. Equitable mortgage of residential as well as commercial property as mentioned below: a) 117/A-2 Sarvodya Nagar, Kanpur b) M/s Abhirev Healthcare Pvt Ltd. (amalgamated with Regency Hospital Ltd.)- 117/138 B-2 Sarvodaya Nagar Kanpur UP c) 117/101, K-Block Kakadeo Hospital Kanpur, UP																						
Yes Bank Limited	57,03,00,000	-	Term loan of 60 Cr. With tenor of 12 years. Repayment in quarterly structured installmanents after a 3 year moratotium from date of 1st disbursement, as per repayment schedule given below : <table><tr><th>Year</th><th>Repayment</th></tr><tr><td>1 to 3</td><td>Nil</td></tr><tr><td>4</td><td>1% of TL with interest</td></tr><tr><td>5</td><td>4% of TL with interest</td></tr><tr><td>6</td><td>5% of TL with interest</td></tr><tr><td>7</td><td>7% of TL with interest</td></tr><tr><td>8</td><td>8% of TL with interest</td></tr><tr><td>9</td><td>10% of TL with interest</td></tr><tr><td>10</td><td>20% of TL with interest</td></tr><tr><td>11</td><td>20% of TL with interest</td></tr><tr><td>12</td><td>25% of TL with interest</td></tr></table>	Year	Repayment	1 to 3	Nil	4	1% of TL with interest	5	4% of TL with interest	6	5% of TL with interest	7	7% of TL with interest	8	8% of TL with interest	9	10% of TL with interest	10	20% of TL with interest	11	20% of TL with interest	12	25% of TL with interest	1. Exclusive charge on Land & Building located at A-4 Sarvodya Nagar, Kanpur. 2. Exclusive charge on all movable fixed and current assets (both present & future). 3. Unconditional and irrevocable corporate guarantee from HCG Ltd. For entrie loan amount to remain valid during the tenor of YBL facilities. 4. Letter of comfort from Regency Hospital backed by Board Resolution to remain valid during the tenor of YBL facilities.
Year	Repayment																									
1 to 3	Nil																									
4	1% of TL with interest																									
5	4% of TL with interest																									
6	5% of TL with interest																									
7	7% of TL with interest																									
8	8% of TL with interest																									
9	10% of TL with interest																									
10	20% of TL with interest																									
11	20% of TL with interest																									
12	25% of TL with interest																									

<u>1,26,07,63,016</u>	<u>62,69,74,602</u>
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The above loans carry an interest rate ranging from 9% p.a. to 12% p.a. (previous year 10.30% p.a. to 13.40% p.a)

Terms of repayment and security disclosure for the outstanding long term borrowings (including current maturities of long term borrowings as referred in note 13) as on 31 March 2018:

(b) Secured vehicle loan from financial institution

Name of party	As at 31 March 2018	As at 31 March 2017	Terms of repayment	
Allahabad Bank	9,66,905	-	Equated Monthly Instalments (EMIs) of ₹ 22,300	Secured by way of charge on vehicle financed through the loan
Kotak Mahindra Prime Limited	1,36,19,179	1,31,71,463	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.
	1,45,86,084	1,31,71,463		

The above loan carry an interest rate ranging from 9 % p.a. to 12% p.a. (previous year 8.36% p.a. to 11.68% p.a)

(c) Buyers credit/ LC

Name of party	As at 31 March 2018	As at 31 March 2017	Terms of repayment	
Yes Bank Limited	-	17,15,954	1039 Days (Ending on 29 June 2017)	Secured by hypothecation of underlying asset for which the loan has been obtained.
Yes Bank Limited	-	18,60,868	1075 Days (Ending on 15 June 2017)	Secured by hypothecation of underlying asset for which the loan has been obtained.
Yes Bank Limited	37,45,028	-	360 Days (Ending on 2 July 2018)	Secured by hypothecation of underlying asset for which the loan has been obtained.
	37,45,028	35,76,822		

The above loans carry an interest rate ranging from 2.3 % p.a. to 2.3% p.a. (previous year 3.56% p.a. to 3.70% p.a)

(d) Unsecured loan from banks

Name of party	As at 31 March 2018	As at 31 March 2017	Terms of repayment	
Kotak Mahindra Bank	-	7,53,808	24 Equated Monthly Instalments (EMIs) of ₹ 194,899 per month beginning from 10 August 2015 till 10 July 2017	
HDFC Bank Limited	3,46,217	16,24,470	36 Equated Monthly Instalments (EMIs) of ₹ 117,912 per month beginning from 04 July 2015 till 04 June 2018	
	3,46,217	23,78,278		

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 (previous year 13% p.a to 16.30% p.a)

(e) Unsecured loan from financial institutions

Name of party	As at 31 March 2018	As at 31 March 2017	Terms of repayment	
Bajaj Finserv Lending	1,18,500	14,41,288	36 Equated Monthly Instalments (EMIs) of ₹ 121,329 per month beginning from 02 May 2015 till 02 April 2018.	
Magma Fincorp Limited	25,70,668	45,59,890	48 Equated Monthly Instalments (EMIs) of ₹ 222,277 per month beginning from 07 May 2015 till 07 April 2019	
Tata Capital Financial	3,17,850	22,02,645	36 Equated Monthly Instalments (EMIs) of ₹ 174,553 per month beginning from 03 June 2015 till 03 May 2018	
	30,07,018	82,03,823		

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)

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Regency Hospital Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts are in rupees, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
8 Deferred tax liabilities (net)		
Deferred tax liability		
Impact of timing difference on tangible assets depreciation	9,45,28,352	5,34,63,042
Deferred lease rent recoverable	9,16,595	9,57,941
Deferred tax assets		
Provision for gratuity	(37,20,212)	(69,84,379)
Provision for bonus	(28,42,151)	(24,12,103)
Provision for doubtful debts	(75,48,825)	(78,76,249)
Rent equalisation reserve	(31,47,207)	(16,04,334)
Expenses incurred on capital raising	(86,46,078)	(1,23,68,703)
Carry forward loss as per Income Tax Act	(3,51,18,170)	-
	3,44,22,304	2,31,75,215
9 Other long-term liabilities		
Rent equalisation reserve	1,14,22,582	55,64,913
Creditor for capital goods	11,22,78,647	4,61,64,895
Deposit from employees	2,04,91,622	1,68,06,559
	14,41,92,851	6,85,36,367

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
Provision for gratuity (refer note 33)	1,35,01,265	1,000	1,70,14,419	37,97,121
Provision for compensated absences	2,20,062	38,43,858	-	37,70,902
Other Provisions [refer note 36(b)]	-	20,00,000	-	-
	1,37,21,327	58,44,858	1,70,14,419	75,68,023

11 Short-term borrowings

Working capital borrowings from banks (refer note below)	14,86,57,827	7,82,36,184
	14,86,57,827	7,82,36,184

Name of bank	As at 31st March 2018	As at 31 March 2017	Details of security
Yes Bank Limited	2,06,28,070	1,94,02,885	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.
Yes Bank Limited	15,38,950	-	1.Exclusive charge on Land & Building located at Sarvodya Nagar, Kanpur. 2.Exclusive charge on all movable fixed and current assets (both present & future) 3.Unconditional and irrevocable corporate guarantee from HCG Ltd. For entire loan amount to remain valid during the tenor of YBL facilities. 4.Letter of comfort from Regency Hospital backed by Board Resolution to remain valid during the tenor of YBL facilities.
HDFC Bank Ltd	12,64,90,807	5,88,33,299	Same as defined in note 7(a).
	14,86,57,827	7,82,36,184	

The above loans carry an interest rate ranging from 9% p.a. to 10.50% p.a. (previous year 11.40% p.a. to 12.25% p.a.)

Regency Hospital Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts are in rupees, unless otherwise stated)
12 Trade payables

	As at 31 March 2018	As at 31 March 2017
Dues to micro, small and medium enterprises (refer note a below)	1,50,547	-
Dues to others	18,62,67,796	15,23,19,990
	18,64,18,343	15,23,19,990

- 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	1,43,864	-
Interest due thereon	6,683	-
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	6,683	-
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 debt (refer note 13)	13,11,76,599	9,04,83,932
Employee related payables	3,68,30,447	2,90,21,048
Consultant fee payable	4,53,28,714	3,46,30,391
Consultant fees accrued but not due	41,64,551	31,13,392
Deposit from employees	74,32,252	56,74,124
Other accrued liabilities	2,21,75,690	1,04,69,431
Interest accrued and due on borrowings	78,41,960	33,16,341
Interest accrued but not due on borrowings	32,43,557	23,72,640
Advance from customers	1,47,30,853	1,68,94,467
Creditor for capital goods	25,62,63,200	3,87,90,384
Statutory dues	1,29,96,312	88,38,884
	54,21,84,135	24,36,05,034

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14 Tangible assets

Gross block	Computers	Furniture and fixtures	Office equipment	Vehicles	Electrical equipments	Plant and machinery	Building	Leasehold land	Leasehold improvements	Freehold land	Intangible Assets	Total
Balance as at 1 April 2016	82,48,259	2,84,44,731	64,28,925	2,31,40,240	3,71,38,201	47,49,56,510	35,48,43,760	4,65,53,622	1,29,62,607	5,61,44,057	-	1,04,88,60,912
Additions	18,79,765	16,09,065	9,96,571	1,24,00,121	59,36,033	8,84,98,040	33,51,010	6,35,85,849	3,61,56,032	-	-	21,44,12,486
Disposals	-	-	-	77,90,201	-	3,63,74,739	-	-	-	-	-	4,41,64,940
Additions pursuant to scheme of arrangement (refer note 40)	49,53,004	66,511	11,22,237	-	5,63,297	27,17,87,626	7,33,33,137	-	-	5,96,29,000	6,34,651	41,20,89,463
Balance as at 01 April 2017	1,50,81,028	3,01,20,307	85,47,733	2,77,50,160	4,36,37,531	79,88,67,437	43,15,27,907	11,01,39,471	4,91,18,639	11,57,73,057	6,34,651	1,63,11,97,921
Additions	65,01,377	3,50,23,902	12,95,227	96,69,406	1,52,22,668	57,02,45,948	33,85,56,033	55,28,553	9,08,10,285	53,99,14,527	63,81,522	1,61,91,49,448
Disposals (refer note d below)	6,78,275	5,981	53,839	48,26,774	60,313	25,63,67,807	72,373	-	-	-	4,50,000	26,25,15,360
Balance as at 31st March 2018	2,09,04,130	6,51,38,228	97,89,121	3,25,92,792	5,87,99,886	1,11,27,45,579	77,00,11,567	11,56,68,024	13,99,28,924	65,56,87,584	65,66,173	2,98,78,32,009
Accumulated depreciation												
Balance as at 1 April 2016	53,02,219	1,16,05,122	37,53,695	65,66,577	1,53,27,068	16,90,84,676	6,49,75,624	1,63,168	19,81,209	-	-	27,87,59,358
Depreciation charge	17,34,893	27,92,470	11,20,775	31,87,170	38,29,732	3,57,58,717	49,98,362	1,10,911	24,68,254	-	-	5,60,01,284
Depreciation adjustment on account of sale/disposal	-	-	-	(25,14,643)	-	(2,35,81,429)	-	-	-	-	-	(2,60,96,072)
Depreciation pursuant to scheme of arrangement (refer note 40) (also refer note d below)	3,55,298	955	53,843	-	13,890	51,63,843	3,01,972	-	-	-	-	58,89,801
Balance as at 01 April 2017	73,92,410	1,43,98,547	49,28,313	72,39,104	1,91,70,690	18,64,25,807	7,02,75,958	2,74,079	44,49,463	-	-	31,45,54,371
Depreciation charge	35,10,699	45,66,692	11,02,841	34,65,604	44,52,420	6,48,24,758	98,08,373	7,12,337	75,70,879	-	1,17,017	10,01,31,620
Depreciation adjustment on account of sale/disposal	2,96,622	6,238	9,393	17,08,525	50,150	56,20,299	15,954	-	-	-	-	77,07,181
Balance as at 31st March 2018	1,06,06,487	1,89,59,001	60,21,761	89,96,183	2,35,72,960	24,56,30,266	8,00,68,377	9,86,416	1,20,20,342	-	1,17,017	40,69,78,810
Net block												
Balance as at 31st March 2017	30,90,912	1,56,56,204	25,51,026	2,05,11,056	2,39,17,434	34,58,17,847	28,82,20,784	10,98,65,392	4,46,69,176	5,61,44,057	-	91,04,43,888
Balance as at 31st March 2018	1,02,97,643	4,61,79,227	37,67,360	2,35,96,609	3,52,26,926	86,71,15,313	68,99,43,190	11,46,81,608	12,79,08,582	65,56,87,584	64,49,156	2,58,08,53,197

Note:

a) 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. Till 31 March 2018, title of the said land was not transferred in the name of the Company. However, subsequent to year end, the Company has made payment of entire amount of purchase consideration and title deed has been transferred in the Company's name.

b) Capital work-in-progress amounting to ₹ 91,093,862 (previous year ₹ 129,509,817) includes plant and machinery pending installation and building under construction.

c) Intangible asset under development amounting to ₹ 8,012,854 (previous year ₹ 4,079,923) includes License fees paid for installation of SAP and Hospital Management System (HMS) pending installation.

d) During the year ended 31 March 2017, certain medical equipments were capitalized in the books of HCG Regency Oncology Healthcare Private Limited (transferor company) though these were under trial run. Adjustments aggregating to ₹. 256,368,459 arising on account of above in cost of assets and depreciation has been shown as adjustment in the above assets/ depreciation. Excess depreciation pertaining to previous year amounting to ₹. 4,864,764 has been shown as prior period adjustment in note 29.

Regency Hospital Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts are in rupees, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017
15 Non-current investments (valued at cost unless stated otherwise)		
Trade investments in equity shares (unquoted)		
Subsidiary		
Sibling Lifecare Private Limited	1,00,000	99,990
10,000 (previous year 9,999) Equity shares of ₹ 10 each fully paid up		
Associates		
HCG Regency Oncology Healthcare Private Limited	-	13,49,51,754
Nil (previous year 11,986,523) Equity shares of ₹ 10 each fully paid up		
Regency Nephrocure Private Limited		
1,421,000 (previous year 1,421,000) Equity shares of ₹ 10 each fully paid up	1,42,10,000	1,42,10,000
	1,43,10,000	14,92,61,744
Aggregate amount of unquoted investments	1,43,10,000	14,92,61,744

1. Pursuant to share purchase agreement dated 28 March 2018 entered into between the Regency Hospital Limited (RHL), HCG Regency Oncology Healthcare Private Limited (HCG Regency) and Healthcare Global Enterprises Limited (HCGE), RHL has purchased the shares held by HCGE in HCG Regency. Pursuant to the above change in shareholding, HCG Regency became a wholly owned subsidiary of RHL with effect from 29 March 2018. Further, On April 17, 2018, the Board of Directors of the Company approved scheme of merger between the HCG Regency Oncology Healthcare Private Limited ("Transferor Company") and Regency Hospital Limited ("Transferee Company") and their respective shareholders and creditors (hereinafter referred to as "the Scheme") with appointed date of April 1, 2017. the scheme was filed with Regional Director, New Delhi on November 02, 2018 which has been approved by the Regional Director vide his order dated November 29, 2018. Also refer note 40.

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
16 Loans and advances (unsecured considered good, unless otherwise stated)				
Capital advances	4,43,95,547	77,99,610	2,69,83,919	-
Security deposits	4,44,93,767	-	3,52,91,478	-
Advance to employees	-	16,89,029	-	19,29,220
Advance tax [Net of provision for income tax]	7,62,03,905	-	4,65,81,390	-
Advance to vendors	2,98,763	85,39,934	-	23,71,605
Minimum alternate tax credit receivable [refer note (a) below]	2,18,35,044	-	1,15,91,504	-
	18,72,27,026	1,81,10,808	12,37,48,893	53,76,551
Minimum alternate tax credit entitlement				
Balance at the beginning of the year	1,15,91,504		1,96,83,442	
Add: Minimum alternate tax credit entitlement created during the year	82,60,897		-	
Add: Minimum alternate tax credit entitlement created for earlier years	19,82,643		-	
Less: Minimum alternate tax credit entitlement utilised during the year	-		80,91,938	
Balance at the end of the year	2,18,35,044		1,15,91,504	

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

Investment in mutual funds (Non trade - Quoted)

4,8536 (Previous year 48,536) units of Birla Sun Life Monthly Investment Plan - Growth	20,25,000	20,25,000
345,543 (Previous year 81,239) units of HDFC MF Monthly Income Plan - LT - Growth	1,46,07,720	31,82,720
Nil (Previous year 224,090) Reliance Money manager fund- Growth	-	50,00,00,000
1,351,296 (Previous year 11,104,843) Reliance Regular savings fund debt option- Growth	3,04,21,332	25,00,00,000
	4,70,54,052	75,52,07,720
Aggregate amount of Market value of quoted investments	4,98,67,855	75,96,21,980

18 Inventories (valued at lower of cost or net realisable value)

Pharmacy	3,90,79,614	2,14,06,037
Surgical, pathological and kitchen items	3,53,46,830	2,86,23,412
Other miscellaneous consumable items	25,63,460	22,25,396
	7,69,89,904	5,22,54,845

19 Trade receivables

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, Considered good

Unsecured, Considered doubtful

Less: Allowances for bad and doubtful debts

Other debts

Unsecured, considered good

Unsecured, Considered doubtful

Less : Allowances for bad and doubtful debts

	As at 31 March 2018	As at 31 March 2017
	19,48,51,584	15,81,88,473
	1,96,29,801	1,65,93,736
	21,44,81,385	17,47,82,209
	1,96,29,801	1,65,93,736
	19,48,51,584	15,81,88,473
	9,78,32,928	16,43,43,080
	77,68,166	72,28,207
	10,56,01,094	17,15,71,287
	77,68,166	72,28,207
	9,78,32,928	16,43,43,080
	29,26,84,512	32,25,31,553

20 Cash and bank balances

Cash and cash equivalents

Cash on hand

Balances with banks in current accounts

Other bank balances

Deposits with maturity more than three months but less than twelve months [refer note (i) below]

	17,77,20,606	79,67,076
	21,13,59,698	3,71,99,843

Note

- (i) Total deposits of Rs 173,720,606 (previous year 3,967,076) are pledged with Bank of Baroda and Yes Bank against fund based and non fund based limit obtained

21 Other current assets

Prepaid expenses

Unbilled revenue

Interest accrued and not due on deposits with banks

Deferred lease rent recoverable

Other receivables

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
	-	71,29,983	-	44,45,167
	-	84,43,984	-	82,10,027
	-	64,06,006	-	3,44,941
	33,26,723	-	28,97,321	-
	-	16,668	-	5,00,000
	33,26,723	2,19,96,641	28,97,321	1,35,00,135

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Regency Hospital Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018***(All amounts are in rupees, unless otherwise stated)*

	For the Year ended 31 March 2018	For the year ended 31st March 2017
22 Revenue from operations		
Revenue from		
Healthcare services	1,64,18,44,057	1,40,59,19,581
Pharmacy and surgical sales	11,58,50,438	6,73,56,074
Nursing school	1,13,21,850	1,35,84,366
	1,76,90,16,345	1,48,68,60,021
23 Other income		
Interest income from banks	70,57,029	4,12,520
Interest income from others	8,51,326	10,47,964
Profit on sale of mutual funds	2,95,70,682	-
Provisions no longer required written back	56,31,898	-
Other operating income		
- Income from leasing	60,22,756	59,60,918
- Income from manpower services	41,400	22,65,040
- Sale of food items	13,10,873	12,71,467
- Credit balances written back	-	5,42,191
- Miscellaneous income	36,52,949	53,22,605
	5,41,38,913	1,68,22,705
24 Consumption of pharmacy, surgical and kitchen items		
Opening stock	5,00,29,449	4,67,62,959
Add : Purchases during the year	41,48,82,310	35,24,11,009
	46,49,11,759	39,91,73,968
Less : Closing stock	7,44,26,443	5,00,29,449
	39,04,85,316	34,91,44,519
25 Employee benefits expense		
Salaries, wages and bonus	33,37,56,740	28,70,45,417
Staff welfare expenses	82,62,112	1,05,41,160
Gratuity expense (refer note 33)	1,57,180	24,37,119
Contribution to provident and other defined contribution funds	88,64,230	46,27,017
	35,10,40,262	30,46,50,713
26 Finance costs		
Interest expense		
- Term loans	9,38,28,356	6,45,19,751
- Vehicle loans	13,82,852	12,86,784
- Working capital facilities	1,09,90,282	99,80,741
- Others	2,92,525	4,57,655
Other borrowing cost	43,16,440	74,02,888
	11,08,10,455	8,36,47,819
27 Depreciation and amortisation expense		
Depreciation and amortisation expense (refer note 14)	10,01,31,620	5,60,01,284
	10,01,31,620	5,60,01,284

Regency Hospital Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018***(All amounts are in rupees, unless otherwise stated)*

	For the period ended 31 March 2018	For the year ended 31 March 2017
28 Other expenses		
Doctor and other professional fees	50,42,32,940	41,21,48,902
Power and fuel	7,67,50,977	5,39,71,351
Rent (refer note 37)	5,23,88,055	3,03,99,316
Repairs and maintenance		
- Buildings	52,51,464	48,72,395
- Plant and machinery	2,64,29,191	1,88,55,329
- Vehicles	36,45,041	35,26,204
Office maintenance and others	1,05,10,938	71,48,743
Insurance	35,70,883	24,19,530
Rates and taxes	29,71,304	32,51,807
Advertisement expenses	1,36,07,428	47,61,276
Printing and stationary	80,68,834	66,14,597
Corporate social responsibility expenses (refer note 39)	9,00,000	10,46,000
Donations	-	60,000
Legal and professional expenses	1,17,34,981	56,11,870
Remuneration to auditors (refer note 34)	29,40,964	16,38,411
Security expenses	1,16,87,687	71,20,966
House keeping expenses	4,75,02,136	3,14,12,012
Telephone expense	19,00,622	17,53,008
Travelling expense	67,92,002	61,90,220
Bad debts	3,63,13,403	2,97,67,713
Provision for doubtful debts	35,76,024	74,45,295
Bank charges	12,36,251	-
Loss on disposal of fixed assets (net)	8,02,170	9,580
Expenses incurred on capital raising	15,00,000	2,86,60,476
Miscellaneous expenses	62,73,560	46,45,976
	84,05,86,854	67,33,30,978

29 Prior period items

Expense not recognised in earlier periods	24,801	-
Depreciation reversal (refer note 14)	(48,64,764)	
	(48,39,963)	-

30 Earning per share

Net profit/(loss) for the year	2,34,70,388	2,25,11,717
Number of shares outstanding as at year end	1,34,48,065	1,34,48,065
Weighted average number of shares outstanding	1,34,48,065	97,17,190
Basic and diluted earnings per share	1.75	2.32
Nominal value of shares	10.00	10.00

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Regency Hospital Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018***(All amounts are in rupees, unless otherwise stated)***31 Related party disclosures****a) Names of related parties and related party relationships**

Relationship	Name
Subsidiary	Sibling Lifecare Private Limited (formerly known as 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. Regency Nephrocare Private Limited 2. HCG Regency Oncology Healthcare Private Limited (Till 31 March 2017) (Refer Note 40)
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 2018	For the year ended 31 March 2017
Lease rent income		
Regency Nephrocare Private Limited		
- from medical equipment	17,73,467	16,22,784
- from building	42,72,087	39,88,542
Sibling Lifecare Private Limited		
- from building	70,350	68,975
Amrita Charitable trust		
- from building	1,86,001	2,04,000
Maintenance service for building		
- Regency Nephrocare Private Limited	2,11,192	2,70,180
Investment in equity shares (including securities premium)		
- HCG Regency Oncology Healthcare Private Limited	-	5,24,46,273
Fee for medical services received		
- Regency Nephrocare Private Limited	6,18,64,735	5,03,69,488
- Dr. Rashmi Kapoor	1,00,89,809	92,87,283
Investigation and medical tests performed for		
- HCG Regency Oncology Healthcare Private Limited	-	1,77,110
Remuneration		
- Mr. Anant Ram Kapoor	1,80,000	1,80,000
- Dr. Atul Kapoor	1,09,67,515	72,58,570
- Dr. Rashmi Kapoor	85,45,161	67,21,136
- Mr. Arun Kapoor	15,75,000	15,00,000
- Mr. Abhishek Kapoor	45,00,000	30,00,000
- Mrs. Janhvi Kapoor	4,81,694	4,20,000
Share in investigation charges		
- Dr. Rashmi Kapoor	33,40,492	36,29,808
- Dr. Atul Kapoor	-	3,16,978
Lease rent expense		
- Anant Ram Kapoor	73,89,000	69,00,000
- Dr. Atul Kapoor	9,90,000	9,90,000
- Dr. Rashmi Kapoor	39,00,000	39,00,000
Payments made on behalf of		
- Regency Nephrocare Private Limited	12,95,715	14,22,815
- Mr. Anant Ram Kapoor	-	4,62,170
- Sibling Lifecare Private Limited	10,23,932	3,78,700

Regency Hospital Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018
(All amounts are in rupees, unless otherwise stated)

	For the Year ended 31 March 2018	For the year ended 31 March 2017
Purchase of surgical items		
- Matrix Merchandise Private limited	-	1,24,950
Corporate social responsibility expenses		
- Amrita Charitable Trust	9,00,000	10,46,000
Sale of pharmacy and surgical items		
- HCG Regency Oncology Healthcare Private Limited	-	1,14,94,533
Sale of Fixed assets		
-Matrix Plast Private Limited	-	1,41,75,000
Revenue claimed on behalf of		
- HCG Regency Oncology Healthcare Private Limited	-	1,77,40,579
c) Details of outstanding balances of the related parties in ordinary course of business are as follows:-		
	For the Year ended 31 March 2018	For the year ended 31 March 2017
Advance given		
-Sibling Lifecare Private Limited	-	1,43,940
Payable for medical services received		
- Dr. Rashmi Kapoor	10,26,185	9,69,361
- Regency Nephrocare Private Limited	2,55,65,939	1,98,12,608
Rent receivable		
- Regency Nephrocare Private Limited	31,13,642	34,52,742
-Sibling Lifecare Private Limited	1,85,050	1,14,700
Receivable for expenses incurred on behalf of		
- Regency Nephrocare Private Limited	36,44,790	4,37,966
-Sibling Lifecare Private Limited	15,02,914	-
Receivable for TDS paid on behalf of		
-Sibling Lifecare Private Limited	-	3,78,700
Receivable for sale of pharmacy and surgical items		
-Sibling Lifecare Private Limited	96,94,283	1,79,29,283
- HCG Regency Oncology Healthcare Private limited	-	1,14,94,533
Security deposit receivable		
- Dr. Rashmi Kapoor	58,25,000	58,28,290
Advance given		
- Mrs. Janhvi Kapoor	54,880	1,17,500
- Dr. Rashmi Kapoor	1,162	3,59,135
Investments in equity shares		
- Regency Nephrocare Private limited	1,42,10,000	1,42,10,000
- HCG Regency Oncology Healthcare Private limited	-	13,49,51,754
-Sibling Lifecare Private Limited	1,00,000	99,990
Payable for revenue claimed on behalf of		
- HCG Regency Oncology Healthcare Private limited	-	1,77,40,579

d) Other arrangements

Personal guarantee given by Dr. Atul Kapoor and Dr. Rashmi Kapoor for loans the outstanding balance of which is Rs 822,955,258 (previous year Rs 687,290,792) obtained by the Company from various banks.

Personal guarantee given by Mr. Anant Ram Kapoor for loans the outstanding balance of which is Rs 445,134,469 (previous year Rs 310,767,559) obtained by the Company from various banks.

During the previous year ended 31 March 2017, the Company has given corporate guarantee in respect of borrowings availed by HCG Regency Oncology Healthcare Private Limited Rs. 453,000,000. The outstanding balance against the same which was Rs 501,478,148

32 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

33 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 2018	For the year ended 31 March 2017
Change in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	2,11,24,455	1,86,87,336
Current service cost	51,48,678	34,23,441
Interest cost	15,09,328	14,45,409
Plan amendment costs/(credit)	(16,02,893)	-
Actuarial loss	(1,05,29,831)	(21,18,816)
Benefit payments	-	(3,12,915)
Present value of defined benefit obligation at the end of the year	1,56,49,737	2,11,24,455

Assets and liabilities recognised in the balance sheet

Present value of defined benefit obligation	1,56,49,737	2,11,24,455
Less: Fair value of plan assets	21,47,472	-
Liability recognised in the balance sheet	1,35,02,265	2,11,24,455
Recognised under:		
- Long-term provision	1,35,01,265	1,70,14,419
- Short-term provision	1,000	37,97,121
	1,35,02,265	2,08,11,540

Expense recognised in the statement of profit and loss

Current service cost	51,48,678	34,23,441
Interest cost	15,09,328	14,45,409
Past service cost	(16,02,893)	-
Actuarial loss/ (Gains)	(1,05,29,831)	(21,18,816)
Total expense	(54,74,718)	27,50,034

Actuarial assumptions

Discount rate	7.7%-6.90%	7.10%
Long-term rate of compensation increase	5.00%	8.00%
Average remaining life (years)	34.77-29.09	21.92

Demographic assumptions

Mortality table	Indian Assured Lives Mortality (2006-08) Ult.Modified	Indian Assured Lives Mortality (2006-08) Ult.Modified
Retirement age	70 / 60	58
Withdrawal rates	2.00%	2.00%

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Defined benefit obligation	1,35,02,265	2,11,24,455	1,86,87,336	60,62,000	53,31,000
Experience adjustment on plan liabilities	(1,05,29,831)	(21,18,816)	4,22,336	8,05,586	1,79,988

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 2018	For the year ended 31 March 2017
Employee provident fund paid to the authorities	40,16,992	25,53,722
Employee state insurance paid to the authorities	48,47,238	20,73,295

34 Remuneration to auditors

Payment to auditor:*		
- Statutory audit	20,65,000	16,10,000
- Others	8,48,500	-
- Out of pocket expenses	27,464	28,411
	29,40,964	16,38,411

* Including gst/service tax

35 Commitments

- Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): Rs. 267,809,060 (Previous year Rs. 51,269,061).

Other commitments

(a) 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 an average monthly rent of Rs. 29,00,000 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 Rs 15,000,000. Company expects to receive the possession of the same by 01 April 2019.

36 (a) Contingent liabilities and litigations

	As at 31 March 2018	As at 31 March 2017
Claims against the company not acknowledged as debt(refer note (a) below)	4,96,51,830	4,05,98,379
Disputed demand of customs department (refer note (b) below)	19,23,000	19,23,000
Bank guarantee furnished to Director, CGHS and ECHS	29,00,000	37,00,000
Corporate guarantee (refer note (c) below)	-	45,30,00,000
Bonus [refer note (d) below]	35,02,616	35,02,616
Income taxes (AY 2013-14, 2014-15 and 2016-17)	3,59,917	20,28,125
Foreign letter of credit (USD 23,47,400)	15,21,72,130	-
Inland letter of credit	30,00,000	-
Foreign buyer's credit	37,45,028	-

Note

(a) Includes total amount of claims under various legal cases alleging medical negligence against the hospital as on 31 March 2018 is ₹ 49,651,830 (previous year ₹ 41,395,610). 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 years.

(c) During the pervious year the Company had given corporate guarantee in respect of financial assistance availed by HCG Regency Oncolgy Healthcare Private Limited of ₹ 453,000,000, the outstanding balance against which was ₹ 501,478,148.

(d) The Payment of Bonus (Amendment) Act, 2015 dated 31 December 2015 (which was made elective from 01 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 recognized the differential amount of bonus off ₹ 3,502,616 for the period 1 April 2014 to 31 March 2015 and accordingly has recognized 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.

36 (b) Other matters

(a) The adjudication authority of Securities and Exchange Board of India (SEBI) vide its order dated 29 September 2018 has imposed penalties on the Company and its promoters under sections 15HA and 15-A(b) of the SEBI Act, 1992, out of which the penalty aggregating Rs 2,000,000 is attributable to the Company. The management of the Company is in the process of filing appeal with the appellate authorities against the above order, however, as a matter of abundant caution, a provision of the aforesaid amount has been recognised in the books of accounts and the same is disclosed as "other provisions" under note 10-Provision.

37 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 2018 and 31 March 2017 aggregate to ₹ 6,022,756 and ₹ 5,960,918 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 2018 and 31 March 2017 was ₹ 52,388,055 and ₹ 30,399,316 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 2018	As at 31 March 2017
The minimum lease payments for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	5,88,23,932	7,47,83,189
Later than one year but not later than five years	41,40,58,652	40,60,90,901
Later than five years	39,06,43,449	35,46,98,721
The minimum lease receipts for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	38,25,138	35,54,140
Later than one year but not later than five years	1,73,11,152	1,86,59,236
Later than five years	1,26,33,516	1,36,08,251

38 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 2018		For the year ended 31 March 2017	
	Value	Percentage	Value	Percentage
Indigenous	39,04,85,316	100%	34,91,44,519	100%
Imported	-	-	-	-
Total	39,04,85,316	100%	34,91,44,519	100%

ii) Expenditure in foreign currency (on accrual basis)

Interest expense
Professional fees
Import of Capital Goods

For the year ended 31 March 2018		For the year ended 31 March 2017	
USD	INR	USD	INR
2,748	1,80,111	8,605	6,48,190
EURO	INR	EURO	INR
2,787	2,11,812	1,247	80,828
USD	INR	USD	INR
94,900	61,12,561	-	-

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

Payable in foreign currency

For the year ended 31 March 2018		For the year ended 31 March 2017	
USD	INR	USD	INR
27,22,046	17,64,44,399	55,165	35,76,822

- 39 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. Rs 818,389 (previous year Rs. 974,656) towards CSR activities during the year ended 31 March 2018. The details of amount actually spent by the Company are:

Particulars	For the year ended 31 March	For the year ended 31 March 2017
Education	9,00,000	10,46,000

- 40 On April 17, 2018, the Board of Directors of the Company approved scheme of merger between the HCG Regency Oncology Healthcare Private Limited ("Transferor Company") and Regency Hospital Limited ("Transferee Company") and their respective shareholders and creditors (hereinafter referred to as "the Scheme") with appointed date of April 1, 2017. As per the Scheme, all the assets and liabilities and business of HCG Regency Oncology Healthcare Private Limited shall be transferred to Regency Hospital Limited (the Company) at their respective carrying values appearing in the books of the Transferor company on the appointed date. The scheme was filed with the Registrar of Companies, Uttar Pradesh and Uttarakhand at Kanpur and Official Liquidator Uttar Pradesh, Allahabad on July 31, 2018. The Company received No Objection Certificate from Registrar of Companies, Uttar Pradesh and Official Liquidator, Uttar Pradesh, Allahabad on August 20, 2018 and August 09, 2018 respectively. Also, the scheme was filed with Regional Director, New Delhi on November 02, 2018 which has been approved by the Regional Director vide his order dated November 29, 2018. The impact of the above scheme of merger is considered in these financial statements which has been disclosed below.

Particulars	Amount in Rs.
Gross block of fixed assets of the transferor company as at 31 March 2017	41,20,89,463
Less : Accumulated depreciation of the transferor company as at 31 March 2017	58,89,801
Net block of the transferor company as at 31 March 2017	40,61,99,662
Capital work in progress of the transferor company as at 31 March 2017	39,24,05,281
Other Non Current assets of the transferor company as at 31 March 2017	2,62,58,774
Current assets of the transferor company as at 31 March 2017	1,73,37,935
Total assets of the transferor company as at 31 March 2017 (A)	84,22,01,653
Non Current liabilities of the transferor company as at 31 March 2017	51,53,81,029
Current liabilities of the transferor company as at 31 March 2017	6,34,00,882
Total liabilities of the transferor company as at 31 March 2017 (B)	57,87,81,911
Net assets taken over as on 1 April 2017 (C=A-B)	26,34,19,742
Less: Investment in the books of Transfree company as at 31 March 2017 (D)	(13,49,51,754)
Add: Fresh equity share capital issued by the transferor company to its shareholders upto 28 March 2018 (i.e. date of acquisition of additional 51% stake by the transferee company from the erstwhile shareholders of the transferor company) (E)	5,79,14,120
Add: Share premium received (net) on fresh equity issued by the transferor company to its shareholders upto 28 March 2018 (i.e. date of acquisition of additional 51% stake by the transferee company from the erstwhile shareholders of the transferor company) (F)	1,13,43,926
Less: Purchase consideration paid by the transferee company for acquisition of additional 51% stake by the transferee company from the erstwhile shareholders of the transferor company (G)	(24,66,25,500)
Net amalgamation adjustment (H= C-D-E-F-G)	(4,88,99,466)
The above adjustment has been disclosed as follows in the financial statements, in line with the order of the Reginal Director:	
Deficit in statement of profit & loss as at 31 March 2017 in the books of transferor company, disclosed as adjustment to Surplus in Statement of Profit and Loss (I)	(37,31,951)
Balance adjustment disclosed as adjustment to securities premium reserve (J=H-I)	(4,51,67,515)

- 41 The Company has obtained extension for three months for holding its annual general meeting vide approval dated 27 August 2018 from the Hon'ble Registrar of Companies, Kanpur.
- 42 Previous year figures have been taken from audited financial statement of Regency Hospital Limited for the year ended 31 March 2017 which is before the above scheme of merger between the HCG Regency Oncology Healthcare Private Limited and Regency Hospital Limited with appointed date of April 1, 2017. Previous year figures have been regrouped/ rearranged, wherever necessary to conform to current year classification.

In terms of our audit report attached

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

Sd/-
Sumit Mahajan
Partner
Membership No.: 504822

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

Sd/-
Dr. Atul Kapoor
Director
DIN- 01449229

Sd/-
Dr. Rashmi Kapoor
Director
DIN- 01818323

Sd/-
Rishi Tandon
Company Secretary

Sd/-
Deepak Gupta
Chief Financial Officer

Place : Kanpur
Date : 14 December 2018

Place : Kanpur
Date : 14 December 2018