



Cert No. H-2012-0145



NABL ACCREDITED  
Cert No. 0272

# REGENCY HOSPITAL LTD.



REGENCY HOSPITAL LTD.



REGENCY RENAL SCIENCES CENTRE



REGENCY CITY CLINIC



REGENCY HOSPITAL GOVIND NAGAR



REGENCY GASTRO & ONCO CENTRE

# 29<sup>th</sup>

## ANNUAL REPORT 2017-2018

# REGENCY HOSPITAL

In  
**LUCKNOW**  
(Coming Soon)



Plot No. 3,5 & 6, Khurram Nagar, Ring Road,  
Lucknow - 226022 (U.P.)

**BOARD OF DIRECTORS**

Dr. Atul Kapoor	-	Managing Director
Dr. Rashmi Kapoor	-	Whole-Time Director
Mr. Ravindra Nath Mohanty	-	Independent Director
Mr. Anil Kumar Khemka	-	Independent Director
Mr. Rajiv Kumar Bakshi	-	Independent Director
Mr. Charles Antoine Janssen	-	Nominee Director
Ms. Tanushree Shyam Bagrodia	-	Nominee Director

**COMPANY SECRETARY**

Mr. Rishi Tandon

**CHIEF FINANCIAL OFFICER**

Mr. Deepak Gupta

**STATUTORY AUDITORS**

Walker Chandiok & Co LLP,  
Chartered Accountants

**MAIN BANKERS**

HDFC Bank Limited  
Yes Bank Limited

**REGISTERED OFFICE**

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

**REGISTRAR & SHARE TRANSFER AGENT**

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

## **CONTENTS**

Notice	03
--------	----

Directors' Report	10
-------------------	----

### **Consolidated Financial Statements**

Auditors' Report	32
------------------	----

Consolidated Balance Sheet	36
----------------------------	----

Consolidated Statement of Profit and Loss	37
---	----

Consolidated Cash Flow Statement	38
----------------------------------	----

Notes forming part of the Consolidated Financial Statements	40
---	----

### **Standalone Financial Statements**

Auditors' Report	68
------------------	----

Balance Sheet	73
---------------	----

Statement of Profit and Loss	74
------------------------------	----

Cash Flow Statement	75
---------------------	----

Notes forming part of the Financial Statements	77
--	----

Proxy Form	100
------------	-----

Attendance Slip	102
-----------------	-----

Route Map	103
-----------	-----

## 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
	<b>Total</b>	<b>594,714</b>

**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 paripassu 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

Kanpur  
14th December, 2018

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

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](http://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](http://www.regencyhealthcare.in). To support the Green initiative members who have not registered their email address are requested to update the same with RTA/Depositories.
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 voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, forthwith to the Chairman of the

Company. The result of the e-voting along with the result of the poll conducted at the AGM and the Scrutinizer's Report shall be placed on the Company's website, [www.regencyhealthcare.in](http://www.regencyhealthcare.in) immediately after results are declared by the Chairman.

#### PROCEDURE FOR E-VOTING

1. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- (a) In case of Members receiving an e-mail from NSDL:
  - (i) Open email and open the PDF file attached to the e-mail, using your client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password.'
  - (ii) Launch an internet browser and open <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder . Login.
  - (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
  - (v) Password change menu will appear. Change the Password with a new password of your choice. Please keep a note of the new password. It is strongly recommended not to share your password with any person and take utmost care to keep it confidential.
  - (vi) Home page of e-voting will open. Click on e-voting Active Voting Cycles.
  - (vii) Select 'EVEN' of Regency Hospital Limited.
  - (viii) Now you are ready for e-voting as "Cast Vote" page opens.
  - (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
  - (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter along with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by an e-mail at [skscsco2001@gmail.com](mailto:skscsco2001@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) & [investor@regencyhealthcare.in](mailto:investor@regencyhealthcare.in)
- (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance slip
  - (i) Initial Password is provided as below in the proxyform.

(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 evoting user manual available in the download section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
3. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
4. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
5. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are shareholder.
6. The voting rights shall be as per the number of equity share held by the member(s) as on cutoff date i.e 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](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using 'Forgot User Details/Password' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
11. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

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

**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 reappointed 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:** Proxccl 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 21.06.2019, with an option to the Company to close the offer period earlier, if all equity shares, proposed to be issued under this offer letter, have been issued and fully subscribed.
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:** NONE

**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:** NIL
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 Six 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
<b>A</b>	<b>Promoters holding:</b>				
1.	Indian:				
	Individual	8953,255	66.58%	9155727	65.20%
	Bodies Corporate	-	-		
	<b>Sub-Total</b>	<b>8953255</b>	<b>66.58%</b>	<b>9155727</b>	<b>65.20%</b>
2.	Foreign Promoters	-	-		
	<b>Sub-Total (A)</b>	<b>8953255</b>	<b>66.58%</b>	<b>9155727</b>	<b>65.20%</b>
<b>B</b>	<b>Non-Promoters' holding:</b>				
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%
	<b>Sub-Total (B)</b>	<b>4494810</b>	<b>33.42%</b>	<b>4887052</b>	<b>34.80</b>
	<b>GRAND TOTAL</b>	<b>13448065</b>	<b>100%</b>	<b>14042779</b>	<b>100%</b>

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

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

Kanpur, 14th December, 2018

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

## DIRECTORS' 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 31 <sup>st</sup> March, 2018	For the Year ended 31 <sup>st</sup> March, 2017
<b>Total Income</b>	<b>182.31</b>	<b>150.37</b>
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
<b>Tax Expense</b>		
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
<b>Profit for the Year</b>	<b>2.34</b>	<b>2.25</b>

### REVIEW OF AFFAIRS OF THE COMPANY

During the year under review, the company has dealt in two segments namely Patient Healthcare and Healthcare Education. The total operational receipts 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 20230 Indoor patients and 221349 outdoor patients as compared to 19004 Indoor patients/187881 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 Limited, 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 with 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 M A P 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:

S.No.	Name of Members	Nature of Directorship in the Company	Total meetings held during the tenure of the member	Meetings attended
1	Mr. Anil Kumar Khemka (Chairman)	Independent, Non-Executive	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:

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

### **PERFORMANCE EVALUATION**

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

### **INDEPENDENT DIRECTORS' MEETING**

The Committee comprises of 3 (three) independent directors - Mr. Anil Kumar Khemka, Chairman, Mr. 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, and the Rules made thereunder. This Policy was considered and approved by the Board has been uploaded under Investor Relation tab at the website of the Company, [www.regencyhealthcare.in](http://www.regencyhealthcare.in).

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

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

Rules, 2014:

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

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

**MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR 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](http://www.regencyhealthcare.in).

**NOMINATION POLICY**

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

**VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

**DIRECTORS & KEY MANAGERIAL PERSONNEL**

At the 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 Chandok & Co L L P , 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.

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

#### **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.

/  /  
 Place: Kanpur      **(Dr. Atul Kapoor)** **(Dr. Rashmi Kapoor)**  
 Date: 14.12.2018      Managing Director      Whole-time Director

#### **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.

**ANNEXURE A**
**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31st March, 2018**

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

**I. REGISTRATION AND OTHER DETAILS**

i	CIN	U85110UP1987PLC008792
ii	Registration Date	08.06.1987
iii	Name of the Company	Regency Hospital Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
v	Address of the Registered office & contact details	A-2, Sarvodaya Nagar, Kanpur-208005, U.P, India Ph. No.-0512-3081111
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Pvt. Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Ph. No-011-30857575

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl.No.	Name and Description of main products/services	NIC Code of the Product/ service	% total turnover of the company
1	Hospital Activity	86100	99%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Regency Nephrocare Pvt. Ltd..	U85191UP2013PTC 058477	Associate Company	49%.	2(6)
2	Sibling Lifecare Pvt. Ltd.	U85100UP2014PTC 062031	Wholly owned Subsidiary Company	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-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	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/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>8895885</b>	<b>4370</b>	<b>8900255</b>	<b>66.18%</b>	<b>8896885.00</b>	<b>56370</b>	<b>8953255.00</b>	<b>66.58%</b>	<b>0.39%</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>"Total Shareholding of Promoter (A)=(A)(1)+(A)(2)"</b>	<b>8895885</b>	<b>4370</b>	<b>8900255</b>	<b>66.18%</b>	<b>8896885</b>	<b>56370</b>	<b>8953255</b>	<b>66.58%</b>	<b>0.39%</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	10	510	520	0.00%	10	460	470	0.00%	0.00%
b) Banks/Fl	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%
<b>SUB TOTAL (B)(1):</b>	<b>3105295</b>	<b>510</b>	<b>3105805</b>	<b>23.25%</b>	<b>3345053</b>	<b>460</b>	<b>3345513</b>	<b>24.87%</b>	<b>1.62%</b>

<b>(2) Non Institutions</b>									
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%
<b>SUB TOTAL (B)(2):</b>	<b>1149229</b>	<b>292776</b>	<b>1442005</b>	<b>10.72%</b>	<b>922412</b>	<b>226915</b>	<b>1149297</b>	<b>8.54%</b>	<b>-2.18%</b>
"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
<b>Grand Total (A+B+C)</b>	<b>13150409</b>	<b>297656</b>	<b>13448065</b>	<b>100%</b>	<b>13164350</b>	<b>283745</b>	<b>13448065</b>	<b>100%</b>	<b>0</b>

**ii. Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Atul Kapoor HUF	1182523	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%
	<b>Total</b>	<b>8900255</b>	<b>66.18%</b>	<b>-</b>	<b>8953255</b>	<b>66.58%</b>	<b>-</b>	<b>0.39%</b>

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

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	<b>Dr. Atul Kapoor</b> At the beginning of the year (21.04.2017) Purchase from open market 52000 no. of shares (05.05.2017) Purchase from open market 1000 no. of shares <b>At the end of the year</b>	2649260	19.70%	2701260 2702260 <b>2702260</b>	20.09% 20.09% <b>20.09%</b>
2	<b>Dr. Rashmi Kapoor</b> At the beginning of the year  At the end of the year	3231030	24.03%	3231030	24.03%
3	<b>Mr. Anant Ram Kapoor</b> At the beginning of the year At the end of the year	886252	6.59%	886252	6.59%
4	<b>Atul Kapoor HUF</b> At the beginning of the year At the end of the year	1182523	8.79%	1182523	8.79%
5	<b>Arun Kapoor HUF</b> At the beginning of the year At the end of the year	52272	0.39%	52272	0.39%
6	<b>Arun Kapoor</b> At the beginning of the year At the end of the year	5000	0.04%	5000	0.04%
7	<b>Soni Kapoor</b> At the beginning of the year At the end of the year	649210	4.83%	649210	4.83%
8	<b>Abhishek Kapoor</b> At the beginning of the year Percentage Change due to increase of Paid Up capital At the end of the year	177508	1.90%	177508 177508	1.32% 1.32%
9	<b>Arun Akshat Kapoor HUF</b> At the beginning of the year Percentage Change due to increase of Paid Up capital At the end of the year	67200	0.72%	67200 67200	0.50% 0.50%

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding 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	<b>International Finance Corporation</b> At the beginning of the year At the end of the year	2683543	19.95%	<b>2683543</b>	<b>19.95%</b>
2	<b>Kois Holdings</b> At the beginning of the year Sale of Shareholding dt. 08/09/2017 of 291758 shares At the end of the year	1036912	7.71%	<b>745154</b>	<b>5.54%</b>
3	<b>Healthquad Fund</b> At the beginning of the year Purchase of Shareholding dt. 08/09/2017 of 291758 shares At the end of the year	368942	2.74%	<b>660700</b>	<b>4.91%</b>
4	<b>Industrial Finance Corporation of India</b> At the beginning of the year At the end of the year	52000	0.56%	<b>0</b>	<b>0.00%</b>
5	<b>Luxmi Township Limited</b> At the beginning of the year At the end of the year	41166	0.31%	<b>41166</b>	<b>0.31%</b>
6	<b>RNK Finance and INV Pvt. Ltd.</b> At the beginning of the year At the end of the year	14430	0.11%	<b>14430</b>	<b>0.11%</b>
7	<b>Master Capital Services Limited</b> At the beginning of the year At the end of the year	12010	0.09%	<b>12010</b>	<b>0.09%</b>
8	<b>Mr. Arvind Champalal Jain</b> At the beginning of the year At the end of the year	9731	0.07%	<b>9731</b>	<b>0.07%</b>
9	<b>Mr. Nirmal Kheria</b> At the beginning of the year At the end of the year	5412	0.04%	<b>5412</b>	<b>0.04%</b>
10	<b>Ms. Priti Kheria</b> At the beginning of the year At the end of the year	5290	0.04%	<b>5290</b>	<b>0.04%</b>
11	<b>Mr. Chirag Navinchandra Shah</b> At the beginning of the year At the end of the year	5108	0.04%	<b>5108</b>	<b>0.04%</b>

**(v) Shareholding of Directors & KMP**

Sl. No.		Shareholding 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
<b>1</b>	<b>For Each of the Directors &amp; KMP</b>				
	<b>Dr. Atul Kapoor</b>				
	At the beginning of the year (21.04.2017) Purchase from open market 52000 no. of shares	2649260	19.70%	2701260	20.09%
	(05.05.2017) Purchase from open market 1000 no. of shares			2702260	20.09%
	<b>At the end of the year</b>			<b>2702260</b>	<b>20.09%</b>
<b>2</b>	<b>Dr. Rashmi Kapoor</b>				
	At the beginning of the year At the end of the year	3231030	24.03%	3231030	24.03%

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**
**(In Rs.)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,073,544,747.49	10,582,101.55	-	1,084,126,849.04
ii) Interest due but not paid	3,316,341.00	-	-	3,316,341.00
iii) Interest accrued but not due	2,252,560.00	120,080.00	-	2,372,640.00
<b>Total (i+ii+iii)</b>	<b>1,079,113,648.49</b>	<b>10,702,181.55</b>	<b>-</b>	<b>1,089,815,830.04</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	677,816,028.40	-	-	677,816,028.40
Reduction	438,104,859.36	7,222,715.80	-	445,327,575.16
<b>Net Change</b>	<b>239,711,169.04</b>	<b>7,222,715.80</b>	<b>-</b>	<b>1,123,143,603.56</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	714,225,127.91	3,353,234.66	-	717,578,362.57
ii) Interest due but not paid	7,841,960.79	-	-	7,841,960.79
iii) Interest accrued but not due	3,207,082.00	36,475.00	-	3,243,557.00
<b>Total (i+ii+iii)</b>	<b>725,274,170.70</b>	<b>3,389,709.66</b>	<b>-</b>	<b>728,663,880.36</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole time director and/or Manager:**
**(In Rs.)**

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Dr. Atul Kapoor	Dr.Rashmi Kapoor	
1	<b>Gross salary</b> (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. (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	10,599,996.00 207,842.00 -	8,400,000.00 - -	18,999,996.00 207,842.00 -
2	Stock option		-	
3	Sweat Equity		-	
4	Commission as % of profit	-	-	-
5	Others-Leave Encashment	159,677.00	145,161.00	304,838.00
	<b>Total (A)</b>	<b>10,967,515.00</b>	<b>8,545,161.00</b>	<b>19,512,676.00</b>
	<b>Ceiling as per the Act</b>	<b>16,800,000.00</b>	<b>16,800,000.00</b>	<b>33,600,000.00</b>

**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors					Total Amount
		Mr. Anil Kumar Khemka	Mr. Subhash Chand Ahuja	Mr. Rajiv Kumar Bakshi	Mr. Rabindra Nath Mohanty	Mr. Charles Antonie Janssen	
1	<b>Independent Directors</b>						
	(a) Fee for attending board /committee meetings	80,000.00	30,000.00	60,000.00	10,000.00	-	180,000.00
	(b) Commission	-	-	-	-	-	-
	(c ) Others, please specify (Travelling)	-	2,880.00	-	-	-	2,880.00
	<b>Total (1)</b>	<b>80,000.00</b>	<b>32,880.00</b>	<b>60,000.00</b>	<b>10,000.00</b>	<b>-</b>	<b>182,880.00</b>
2	<b>Other Non Executive Directors</b>						
	(a) Fee for attending board /committee meetings	-	-	-	-	30,000.00	30,000.00
	(b) Commission	-	-	-	-	-	-
	(c ) Others, please specify.	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>80,000.00</b>	<b>32,880.00</b>	<b>60,000.00</b>	<b>10,000.00</b>	<b>30,000.00</b>	<b>212,880.00</b>

<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB</b>				
<b>Sl. No.</b>	<b>Particulars of Remuneration</b>	<b>Key Managerial Personnel</b>		<b>Total</b>
		<b>Company Secretary</b>	<b>CFO</b>	
<b>1</b>	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1,015,584.00	1,350,000.00	2,365,584.00
	(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	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission as % of profit</b>	-	-	-
<b>5</b>	<b>Others- Bonus and Leave encashment</b>	43,207.00	54,972.00	98,179.00
	<b>Total</b>	<b>1,058,791.00</b>	<b>1,404,972.00</b>	<b>2,463,763.00</b>

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

<b>Type</b>	<b>Section of the Companies Act</b>	<b>Brief Description</b>	<b>Details of Penalty/Punishment/Compounding fees imposed</b>	<b>Authority (RD/NCLT/COURT)</b>	<b>Appeal made if any (give details)</b>
<b>A. COMPANY</b>					
Penalty Punishment Compounding			<b>NONE</b>		
<b>B. DIRECTORS</b>					
Penalty Punishment Compounding			<b>NONE</b>		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty Punishment Compounding			<b>NONE</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 arrangement or transactions at arms' length basis**

Sl. No.	Particulars								
a)	Name(s) of the related party	<b>Dr. Rashmi Kapoor</b>	<b>Dr. Atul Kapoor</b>	<b>Mr. Anant Ram Kapoor</b>	<b>Mrs. Jhanvi Kapoor</b>	<b>Mr. Arun Kapoor</b>	<b>Mr. Abhishek Kapoor</b>	<b>Regency Nephrocare Pvt. Ltd.</b>	<b>Sibling Lifecare Pvt. Ltd.</b>
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. Receiving Rent for Leasing of Land & Building situated at Renal, Swaroop Nagar Kanpur 2. Receiving Rent for supply of Medical equipments 3. Availing Services of kit/package for dialysis 4. Rendering Maintenance services for building at Renal, Swaroop Nagar, Kanpur	1. Sub-Lease of Land & Building at B-5, Sarvodaya Nagar, Kanpur-208005

<b>f)</b>	<b>Justification for entering into such contracts/ arrangements /transactions</b>	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
<b>g)</b>	<b>Date of approval by the Board</b>	25.07.2017	25.07.2017	25.07.2017	25.07.2017	25.07.2017	25.07.2017	25.07.2017	25.07.2017
<b>h)</b>	<b>Amount incurred during the year (Rs.)</b>	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.4,61,694/-	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/-	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	10,967,515.00	Permanent	MBBS & MS	37 Yrs	08/06/1987	61 Yrs	Since Inception	20.09%	Yes
2	Dr. Rashmi Kapoor	Whole-Time Director	8,545,161.00	Permanent	MBBS & MD	37 Yrs	08/06/1987	61 Yrs	Since Inception	24.03	Yes
3	Dr. Vikas Bhargava	Centre Head (GN)	2,016,000.00	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	2,102,071.00	Permanent	B.A, Certificate in Hotel Management	17 Yrs	23/02/2015	51 Yrs	Metro Hospital	NIL	No
5	Dr. Surendra Kumar	Jr. Consultant	1,890,000.00	Permanent	MBBS, MD (Anesthesia), Fellowship	1 Yr	14/09/2015	35 Yrs	SNMC, Agra	NIL	No
6	Mr. Gunjan Kumar	Chief Information Officer	3,153,125.00	Permanent	MBA (IT), BE	19 Yrs	01/02/2014	43 Yrs	I2K2 Networks	NIL	No
7	Dr. Neha Singh Agrahari	Clinical Associate	1,790,323.00	Permanent	MBBS, MD (Radiodiagnosis)	Nil	18/08/2017	29 Yrs	NA	NIL	No
8	Ms. Ruby Shrivastava	Anesthetist	2,420,000.00	Permanent	MD (Anesthesia)	16 Yrs	01/08/2012	49 Yrs	Private Practice	NIL	No
9	Mr. Abhishek Kapoor	Sr-Vice President-Strategy	4,500,000.00	Permanent	MBA	9 Yrs	03/07/2012	30 Yrs	Davita Inc Denver Colorado, USA	1.32	Yes
10	Mr. Shadab Rasool Siddiqui	Technical Supervisor	2,182,259.00	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 :**

<ul style="list-style-type: none"> <li>(i) the steps taken or impact on conservation of energy</li> <li>(ii) the steps taken by the company for utilizing alternate sources of energy</li> <li>(iii) the capital investment on energy conservation equipment;</li> </ul>	<p>Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.</p>
<b>Technology absorption :</b> <ul style="list-style-type: none"> <li>(i) the efforts made towards technology absorption</li> <li>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution</li> <li>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) <ul style="list-style-type: none"> <li>a. the details of technology imported</li> <li>b. the year of import;</li> <li>c. whether the technology been fully absorbed</li> <li>d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</li> </ul> </li> <li>(iv) the expenditure incurred on Research and Development.</li> </ul>	<p>Updation of Technology is a Continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to implement new machines required in the Healthcare Industry.</p> <p>By the updated use of technology and new machines, company has been able to successfully retain the patient's confidence with respect to its improved treatment. Company is coupled with a team of qualified Doctors and latest available diagnosis machines.</p> <p>NIL</p> <p>Research and Technology and innovation continue to be one of the key focus area to drive growth. To support this, Company avails services of qualified and experienced professionals / consultants. The development work is carried by the concerned department on an ongoing basis. The expenses and cost of assets are grouped under the respective heads.</p>
<b>(C) Foreign exchange earnings and Outgo</b>	<p>The Foreign Exchange outgo and foreign exchange earned by the Company during the year are detailed in Notes to the Financial Statements.</p>

**CORPORATE SOCIAL RESPONSIBILITY**

The Company had duly constituted Corporate Social Responsibility Committee (CSR) pursuant to provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of which are provided herein below-

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The CSR Committee decided to spend amount under promotion of education activities during the year 2017-18 Link: <a href="http://regency.zmotpro.com/wp-content/uploads/Corporate-Social-Responsibility-Policy.pdf">http://regency.zmotpro.com/wp-content/uploads/Corporate-Social-Responsibility-Policy.pdf</a>
2. The Composition of the CSR Committee.	Mr. Anil Kumar Khemka - Chairman Dr. Atul Kapoor - Member Dr. Rashmi Kapoor - Member
3. Average net profit of the company for last three financial years.	Rs. 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 un spent , if any	Rs.818,389.01 NIL

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

(1) S. No.	(2) CSR project or activity identified	(3) Sector In which The Project Is Covered	(4) Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) projector programs wise.	(6) Amount spent on the projects or programs Sub-heads: 1) Direct on projects or programs- 2) Overheads:	(7) Cumulative Expenditure up to the reporting Period.	(8) 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*
<b>TOTAL</b>				<b>Rs.818,389.01</b>	<b>Rs.9,00,000/ -</b>	<b>Rs.9,00,000/ -</b>	

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

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

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

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

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

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

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	Sibling Lifecare Private Limited
2.	Date since when subsidiary was acquired	Since Incorporation dated 17.01.2014
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2017 to 31/03/2018
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N/A
5.	Share Capital	100,000
6.	Reserves & Surplus	(846,871)
7.	Total Assets	11,086,107
8.	Total Liabilities	11,086,107
9.	Investments	0
10.	Turnover	0
11.	Profit/(Loss) before taxation	(14,54,896)
12.	Provision for taxation	35872
13.	Profit/(Loss) after taxation	(14,90,768)
14.	Proposed Dividend	0
15.	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 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

Place : Kanpur  
 Date : 14 December 2018

Sd/-  
**Rishi Tandon**  
 Company Secretary

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

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

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

<b>Name of associates/Joint Ventures</b>	<b>Regency Nephrocare Private Limited</b>
1. Latest audited Balance Sheet Date	31.03.2018
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>	
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/-
<b>6. Profit/Loss for the year</b>	
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 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

Place : Kanpur  
Date : 14 December 2018

Sd/-  
**Rishi Tandon**  
Company Secretary

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

## **Independent Auditor's Report**

### **To the Members of Regency Hospital Limited**

#### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Regency Hospital Limited ('the Holding Company'), its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') and its associate, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors/management of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in paragraph 9 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

#### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statement and on the other financial information of the subsidiary and associate, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Emphasis of Matter

9. We draw reference to note 43 to the accompanying consolidated financial statements which describes that the Board of Directors of the Company approved scheme of merger between HCG Regency Oncology Healthcare Private Limited ("Transferor Company") and the Company and their respective shareholders and creditors (hereinafter referred to as "the Scheme") with appointed date of 1 April 2017. The accompanying consolidated financial statements are prepared after giving effect to the Scheme pursuant to the approval of the Scheme received from the Regional Director vide his order dated 29 November 2018. Our opinion is not modified in respect of this matter.

### Other Matters

10. We did not audit the financial statements of HCG Regency Oncology Healthcare Private Limited ("Transferor Company"), (refer note 43 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 consolidated 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 consolidated 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.
11. The consolidated financial statements include the Group's share of net profit of ₹ 3,384,269 for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.  
Our opinion above on the consolidated financial

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

### Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary and associate, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor
  - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, subsidiary company and associate company, none of the directors of the Group companies and its associate company covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 143(3)(i) for reporting on the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls of the associate company covered under the Act, are not applicable. With respect to

the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1':

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary and associate:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate as detailed in note 38 to the consolidated financial statements.
- (ii) the Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary company, and associate company covered under the Act during the year ended 31 March 2018;
- (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 consolidated financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per 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 consolidated financial statements for the year ended 31 March 2018**

#### **Annexure 1**

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

1. In conjunction with our audit of the consolidated financial statements of Regency Hospital Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') and its associate as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

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

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

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the

Guidance Note 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 IFCoFR of the Holding Company and its subsidiary company as aforesaid.

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

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

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

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or

fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have 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.

#### **Other Matters**

9. We did not audit the financial statements of HCG Regency Oncology Healthcare Private Limited ('Transferor Company'), (refer note 43 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 consolidated 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 consolidated 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 modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

#### **For Walker Chandlok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sumit Mahajan

Partner

Membership No.: 504822

Place: Kanpur

Date: 14 December 2018

**Consolidated Balance Sheet as at 31 March 2018**

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	5	134,480,650	134,480,650
Reserves and surplus	6	<u>1,188,424,226</u>	<u>1,209,178,512</u>
		<b><u>1,322,904,876</u></b>	<b><u>1,343,659,162</u></b>
Minority interest		-	74
<b>Non-current liabilities</b>			
Long-term borrowings	7	1,151,270,764	563,821,056
Deferred tax liabilities (net)	8	34,422,304	23,139,343
Other long-term liabilities	9	144,205,833	68,536,367
Long-term provisions	10	<u>13,721,327</u>	<u>17,014,419</u>
		<b><u>1,343,620,228</u></b>	<b><u>672,511,185</u></b>
<b>Current liabilities</b>			
Short-term borrowings	11	148,657,827	78,236,184
Trade payables	12		
• Dues to micro enterprises and small enterprises		150,547	-
• Dues to creditors other than micro enterprises and small enterprises		<u>186,267,796</u>	<u>152,319,990</u>
Other current liabilities	13	542,621,885	243,639,459
Short-term provisions	10	<u>5,844,858</u>	<u>7,568,023</u>
		<b><u>883,542,913</u></b>	<b><u>481,763,656</u></b>
<b>Total</b>		<b><u>3,550,068,017</u></b>	<b><u>2,497,934,077</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	14		
Property, Plant and Equipment		2,574,404,041	910,443,888
Intangible assets		6,449,156	-
Capital work-in-progress		91,093,861	129,509,817
Intangible assets under development		8,012,854	4,079,923
Non-current investments	15	11,654,880	140,441,139
Long-term loans and advances	16	187,281,917	123,659,843
Other non-current assets	21	<u>3,326,723</u>	<u>2,897,321</u>
		<b><u>2,882,223,432</u></b>	<b><u>1,311,031,931</u></b>
<b>Current assets</b>			
Current investments	17	47,054,052	755,207,720
Inventories	18	76,989,904	52,254,845
Trade receivables	19	292,193,612	323,303,275
Cash and bank balances	20	211,499,568	37,259,620
Short-term loans and advances	16	18,110,808	5,376,551
Other current assets	21	<u>21,996,641</u>	<u>13,500,135</u>
		<b><u>667,844,585</u></b>	<b><u>1,186,902,146</u></b>
<b>Total</b>		<b><u>3,550,068,017</u></b>	<b><u>2,497,934,077</u></b>

Notes 1 to 45 form an integral part of these consolidated 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  
M.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/-  
**Rishi Tandon**  
Company Secretary

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

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

**Consolidated Statement of Profit and Loss for the year ended 31 March 2018**

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>REVENUE</b>			
Revenue from operations	22	1,769,016,345	1,486,860,021
Other income	23	54,068,563	16,753,730
<b>Total revenue</b>		<b><u>1,823,084,908</u></b>	<b><u>1,503,613,751</u></b>
<b>EXPENSES</b>			
Consumption of pharmacy, surgical and kitchen items	24	390,485,316	349,144,519
Employee benefits expense	25	351,040,262	304,650,713
Finance costs	26	110,822,387	83,648,202
Depreciation and amortisation expense	27	100,131,620	56,001,284
Other expenses	28	841,959,468	673,377,710
Other prior period items	29	(4,839,963)	-
<b>Total expenses</b>		<b><u>1,789,599,090</u></b>	<b><u>1,466,822,428</u></b>
<b>Profit before tax</b>		<b>33,485,818</b>	<b>36,791,323</b>
<b>Tax expense</b>			
- Current tax		8,260,897	17,134,946
- Current tax relating to earlier year		(2,010,270)	(4,665,398)
- Deferred tax		5,296,101	1,890,277
- Deferred tax relating to earlier year		8,220,367	-
- Minimum Alternate Tax (MAT) credit entitlement		(8,260,897)	-
<b>Profit after tax before minority interest/share of profit in associates</b>		<b><u>21,979,621</u></b>	<b><u>22,431,498</u></b>
Share in profit/ (loss) of associates		3,384,269	(1,915,670)
Adjustment of minority interest		-	8
<b>Net profit for the year</b>		<b><u>25,363,890</u></b>	<b><u>20,515,836</u></b>
<b>Earnings per equity share (nominal value ₹ 10)</b>	30		
Basic and diluted		1.89	2.11

Notes 1 to 45 form an integral part of these consolidated 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  
M.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

## Consolidated Cash Flow Statement for the year ended 31 March 2018

(All amounts are in rupees, unless otherwise stated)

PARTICULARS	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Profit before tax	33,485,818	36,791,322
<b>Adjustments for:</b>		
Depreciation expense	100,131,620	56,001,284
Interest expense	110,822,387	83,648,202
Interest income	(7,908,355)	(412,520)
Loss on sale of fixed asset( net)	802,170	9,580
Profit on sale of current investments	(29,570,682)	(9,060)
Provision for doubtful debts	3,576,024	7,445,295
Credit balances written back	-	(542,191)
Bad debts	36,313,403	29,767,713
Provisions no longer required written back	(5,631,898)	-
Preliminary expenditure written off	-	29,084
<b>Operating profit before working capital changes</b>	<b>242,020,487</b>	<b>212,728,709</b>
<b>Adjustments for movement in:</b>		
Increase in trade payables	34,098,353	43,081,067
Increase in provisions and other liabilities	47,744,741	24,952,055
(Increase) in trade receivables	(8,779,764)	(94,872,588)
Decrease/(Increase) in loans and advances and other assets	(53,664,992)	31,948,190
(Increase)/decrease in inventories	(24,735,059)	(3,804,721)
<b>Cash generated from operations</b>	<b>236,683,766</b>	<b>214,032,712</b>
Less: Taxes paid (net)	(223,233)	(24,615,046)
<b>Net cash generated from operating activities</b>	<b>236,460,533</b>	<b>189,417,666</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work-in-progress and movement in creditors for capital goods and capital advances)	(1,480,987,064)	(216,683,221)
Proceeds from sale of fixed assets	2,502,314	18,059,288
Interest received	1,502,350	67,579
(Purchase) of/proceeds from non-current investments	134,951,744	(52,446,273)
Adjustments pursuant to the scheme of arrangement (refer note 43)	(48,899,466)	-
Purchase of current investments	(21,425,000)	(755,382,720)
Proceeds from sale of current investments	759,149,350	649,060
Investment in bank deposits (having original maturity of more than three months)	(169,753,530)	(6,699,348)
<b>Net cash used in investing activities</b>	<b>(822,959,302)</b>	<b>(1,012,435,635)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	-	928,293,119
Movement in short-term borrowings (net)	70,421,643	(61,390,627)
Proceeds from long-term borrowings	716,772,760	423,480,076
Repayment of long-term borrowings	(88,630,386)	(381,727,822)
Interest paid	(107,578,830)	(81,275,562)
<b>Net cash generated from/(used in) financing activities</b>	<b>590,985,187</b>	<b>827,379,184</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,486,418</b>	<b>4,361,215</b>
Cash and cash equivalents at the beginning of the year	29,292,544	24,931,329
<b>Cash and cash equivalents at the end of the year</b>	<b>33,778,962</b>	<b>29,292,544</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	3,485,638	2,482,852
Cheques on hand	-	437,425
Balances with banks in current accounts	30,293,324	26,372,267
	<b>33,778,962</b>	<b>29,292,544</b>

**Note:**

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

Notes 1 to 45 form an integral part of these consolidated financial statements.

In terms of our report attached

**For Walker Chandlok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Sumit Mahajan**

Partner

M.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/-

**Rishi Tandon**

Company Secretary

Sd/-

**Dr. Rashmi Kapoor**

Director

DIN- 01818323

Sd/-

**Deepak Gupta**

Chief Financial Officer

Place : Kanpur

Date : 14 December 2018

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**
**1. Principles of Consolidation**

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

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

Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" referred to in the Companies (Accounting Standard) Rule 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Act.

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

**2. Basis of preparation of financial statements**

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

All assets and liabilities have been classified as current or

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

**3. Use of estimates**

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

**4. Significant accounting policies**
**a. Revenue recognition:**

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

*Revenue from healthcare services and pharmacy sales*

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

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

*Revenue from academic services*

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

*Equipment lease rentals and income from rent*

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

*Interest*

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

**Regency Hospital Limited**

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

**b. Inventories**

Inventory of medical consumables and drugs, stores and spares are valued at lower of cost and net realisable value.

Cost is determined on first in first out basis. Cost of these inventories comprises of all cost of purchase and other costs incurred in bringing the inventories to their present location after adjustment of Value Added Tax, wherever applicable.

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

**c. Investments**

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

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

**d. Fixed assets**

*Property, plant and equipment*

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

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

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

*Intangible assets*

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

*Capital work in progress*

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

**e. Depreciation**

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

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 period is being provided up to the date on which such assets are sold/disposed off.

Leasehold improvements are amortised over the lease period.

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

**f. Impairment of assets**

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

**g. Foreign currency transactions and translations**

*Initial recognition*

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

*Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency

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

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

Borrowing cost of specific loans used for acquisition or construction of fixed assets, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**i. Employee benefits**

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

**Provident fund and Employees' state insurance**

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

**Gratuity**

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the

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

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

**Leave encashment benefits**

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

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

**j. Segment Reporting**
**Business segments:**

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

**Geographical segments**

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

**Other information**

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 group 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 group as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

**k. Income taxes**

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

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

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

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

**l. Earnings per share:**

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

**m. Leases:**
*Where the group is the lessee*

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

*Where the group is the lessor*

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

including depreciation, are recognized as an expense in the statement of profit and loss.

**n. Contingent liabilities and provisions**

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

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

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

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

**o. Cash and cash equivalents**

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

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

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹10 each	55,000,000	550,000,000	20,000,000	200,000,000
	55,000,000	550,000,000	20,000,000	200,000,000
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹10 each	13,448,065	134,480,650	13,448,065	134,480,650
	<b>13,448,065</b>	<b>134,480,650</b>	<b>13,448,065</b>	<b>134,480,650</b>

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

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

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

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

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

	Number	% of shareholding	Number	% of shareholding
Dr. Rashmi Kapoor	3,231,030	24.03%	3,231,030	24.03%
Dr. Atul Kapoor	2,702,260	20.09%	2,649,260	19.70%
Atul Kapoor (HUF)	1,182,523	8.79%	1,182,523	8.79%
Anant Ram Kapoor	886,252	6.59%	886,252	6.59%
Soni Kapoor	649,210	4.83%	649,210	4.83%
International Finance Corporation	2,683,543	19.95%	2,683,543	19.95%
Kois Holdings	745,154	5.54%	1,036,912	7.71%

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

Balance at the beginning and end of the year	897,370,149	9,971,000
Add: Additions during the year (refer note (a) below)	-	887,399,149
Less: Adjustment pursuant to scheme of arrangement (refer note 43)	(45,167,515)	-
	<b>852,202,634</b>	<b>897,370,149</b>

**General reserve**

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

Balance at the beginning of the year	193,068,262	172,552,426
Add: Adjustment of previous year's loss of Associate	2,781,226	-
Add : Transferred from the statement of profit and loss	25,363,890	20,515,836
Add : Loss attributable to others shareholder relating to Premerger period	64	-
Add: Adjustment pursuant to scheme of arrangement (refer note 43)	(3,731,951)	-
Balance at the end of the year	<b>217,481,491</b>	<b>193,068,262</b>
	<b>1,188,424,226</b>	<b>1,209,178,512</b>

(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, Kojs Holdings and Healthquad Fund at an issue price of ₹ 227 per share including securities premium of ₹ 217 per share.

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

Term loan from banks (refer note (a) below)	1,260,763,016	626,974,602
Vehicle loans from financial institutions (refer note (b) below)	14,586,084	13,171,463
Buyers credit (refer note (c) below)	<u>3,745,028</u>	<u>3,576,822</u>
	1,279,094,128	643,722,887
Less: Current maturities of long-term borrowings (refer note 13)	<u>127,986,600</u>	<u>83,261,216</u>
	<u>1,151,107,528</u>	<u>560,461,671</u>

**Unsecured**

Term loans from banks (refer note (d) below)	346,217	2,378,278
Term loans from financial institutions (refer note (e) below)	<u>3,007,018</u>	<u>8,203,823</u>
	3,353,235	10,582,101
Less: Current maturities of long-term borrowings (refer note 13)	<u>3,189,999</u>	<u>7,222,716</u>
	<u>163,236</u>	<u>3,359,385</u>
	<u><b>1,151,270,764</b></u>	<u><b>563,821,056</b></u>

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

(All amounts are in rupees, unless otherwise stated)

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

Name of bank / Financial Institution	As at 31 March 2018	As at 31 March 2017	Repayment terms	Details of security
HDFC Bank	14,626,635	17,919,994	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	148,458,232	180,096,871	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	28,334,541	33,123,477	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	38,000,000	46,000,000	Duration: 84 Months, repayable in 20 quarterly instalment of ₹ 2,000,000 beginning from 30 October 2016 and thereafter 4 quarterly instalment of ₹ 2,500,000 per quarter till 30 July 2022.	1. Secured by way of equitable mortgage of the land and building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. First charge on specific medical equipments 4. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor."
Yes Bank Limited	142,400,000	97,900,000	Duration: 102 Months (including 18 Months Moratorium), 28 quarterly instalment of ₹ 5,085,714 per quarter beginning from 31 March 2018 till 31 March 2025.	1. First and exclusive charge on current assets of South Kanpur Hospital both Present and Future. 2. First and Exclusive charge on fixed Assets (movable & immovable) of Renal Care Centre. 3. Exclusive Charge on Medical Equipment and Movable Fixed Assets of South Kanpur Hospital Both Present and Future. 4. Personal Guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor."
HDFC Bank	23,119,367	36,858,267	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. 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. 5. Equitable mortgage of residential as well as commercial property as mentioned below: a) 117/A-2 Sarvodaya Nagar, Kanpur b) 117/138 B-2 Sarvodaya Nagar, Kanpur c) 117/101, K-Block Kakadeo Hospital Kanpur, UP
HDFC Bank	43,106,814	45,500,000	"Duration: 96 Months (including 12 Months Moratorium), 84 Equated Monthly Installments of ₹ 762,425/-beginning from 1 October 2017 to 1 September 2024."	
HDFC Bank	79,876,310	80,000,000	"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."	
HDFC Bank	81,522,370	89,575,993	102 Equated Monthly Instalment (EMI's) of ₹ 1,383,869, beginning from 5 September 2016 and ending on 5 February 2025.	
HDFC Bank	37,178,747	-	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 present & future of MSH) 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 through equitable mortgage of Regency Hospital Limited 4. Hypo-thecation and exclusive charge on plant & machinery & other assets of the company RHL
HDFC Bank	53,840,000	-	Equated Monthly Instalments (EMIs) of ₹ 757,122	

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**
*(All amounts are in rupees, unless otherwise stated)*
**Terms of repayment and security disclosure for the outstanding long term borrowings (including current maturities of long term borrowings as referred in Note 13)**
**(a) Secured term loans from banks (contd.)**

Name of bank Financial Institution	As at 31 March 2018	As at 31 March 2017	Repayment terms	Details of security																						
				-MSH facility ( Both current & future ) 5. Co-applcancy/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 Hdfc 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. 8. Equitable mortgage of residential as well as commercial property as mentioned below: a) 117/A-2 Sarvodya Nagar, Kanpurb) M/s Abhiv Healthcare Pvt Ltd. ( amalgamated with Regency Hospital Ltd. b) 117/138 B-2 Sarvodaya Nagar Kanpur UP c) 117/101, K-Block Kakadeo Hospital Kanpur, UP																						
Yes Bank Limited	570,300,000	-	"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>1to 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	1to 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 Sarvodya Nagar, Kanpur. 2. Exclusive charge on all movable fixed and current assets (both present & future). 3. Unconditional and irrevocable corporate guranteee 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																									
1to 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																									
	1,260,763,016	626,974,602																								

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)

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

Name of Party	As at 31 March 2018	As at 31 March 2017	Terms of Repayment	
Allahabad Bank	966,905		Equated Monthly Instalments (EMIs) of ₹ 22,300	Secured by way of charge on vehicle financed through the loan facility.
Kotak Mahindra Prime Limited	13,619,179	13,171,463	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.
	<b>14,586,084</b>	<b>13,171,463</b>		

The above loans 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	-	1,715,954	1039 Days (Ending on 29 June 2017)	Secured by hypothecation of underlying asset for which the loan has been obtained.
Yes Bank Limited	-	1,860,868	1075 Days (Ending on 15 June 2017)	Secured by hypothecation of underlying asset for which the loan has been obtained.
Yes Bank Limited	3,745,028	-	360 Days ( Ending on 2 July 2018 )	Secured by hypothecation of underlying asset for which the loan has been obtained.
	<b>3,745,028</b>	<b>3,576,822</b>		

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)

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**
**(d) Unsecured loans from bank**

Name of Party	As at 31 March 2018	As at 31 March 2017	Terms of repayment
Kotak Mahindra Bank Limited	-	753,808	24 Equated Monthly Instalments (EMIs) of ₹ 194,899 per month beginning from 10 August 2015 till 10 July 2017
HDFC Bank Limited	346,217	1,624,470	36 Equated Monthly Instalments (EMIs) of ₹ 117,912 per month beginning from 04 July 2015 till 04 June 2018
	<b>346,217</b>	<b>2,378,278</b>	

**Note:**

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

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

Name of financial institution	As at 31 March 2018	As at 31 March 2017	Terms of repayment
Bajaj Finserv Lending	118,500	1,441,288	36 Equated Monthly Instalments (EMIs) of ₹ 121,329 per month beginning from 02 May 2015 till 02 April 2018.
Magma Fincorp Limited	2,570,668	4,559,890	48 Equated Monthly Instalments (EMIs) of ₹ 222,277 per month beginning from 07 May 2015 till 07 April 2019
Tata Capital Financial Services	317,850	2,202,645	36 Equated Monthly Instalments (EMIs) of ₹ 174,553 per month beginning from 03 June 2015 till 03 May 2018
	<b>3,007,018</b>	<b>8,203,823</b>	

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

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>8 Deferred tax liabilities (net)</b>		
<b>Deferred tax liability</b>		
Impact of timing difference on tangible assets depreciation	94,528,352	53,463,042
Deferred lease rent recoverable	916,595	957,941
<b>Deferred tax assets</b>		
Provision for gratuity	(3,720,212)	(6,984,379)
Provision for bonus	(2,842,151)	(2,412,103)
Provision for doubtful debts	(7,548,825)	(7,876,249)
Rent equalisation reserve	(3,147,207)	(1,604,334)
Expenses incurred on capital raising	(8,646,078)	(12,368,703)
Carry forward loss as per Income Tax Act	(35,118,170)	(29,132)
Preliminary expenses to be allowed in subsequent years	-	(6,740)
	<b>34,422,304</b>	<b>23,139,343</b>
<b>9 Other long-term liabilities</b>		
Rent equalisation reserve	11,435,564	5,564,913
Creditor for capital goods	112,278,647	46,164,895
Deposit from employees	20,491,622	16,806,559
	<b>144,205,833</b>	<b>68,536,367</b>

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

10 Provisions	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
Provision for gratuity (refer note 35)	13,501,265	1,000	17,014,419	3,797,121
Provision for compensated absences	220,062	3,843,858	-	3,770,902
Other Provisions (refer note 38(b))	-	2,000,000	-	-
	<u>13,721,327</u>	<u>5,844,858</u>	<u>17,014,419</u>	<u>7,568,023</u>

**11 Short-term borrowings**

Working capital borrowings from banks

(refer note below)

148,657,827	78,236,184
<u>148,657,827</u>	<u>78,236,184</u>

Name of Bank	As at 31 March 2018	As at 31 March 2017	Details of security
Yes Bank Limited	20,628,070	19,402,885	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	1,538,950	-	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	126,490,807	58,833,299	Same as defined in note 7(a).
	<u>148,657,827</u>	<u>78,236,184</u>	

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%)

**12 Trade payables**

Dues to micro, small and medium enterprises (refer note a below)

Dues to others

As at 31 March 2018	As at 31 March 2017
150,547	-
186,267,796	152,319,990
<u>186,418,343</u>	<u>152,319,990</u>

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

Principal amount remaining unpaid	143,864	-
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 borrowings	131,176,599	90,483,932
Employee related payables	36,830,447	29,021,048
Consultant fee payable	45,328,714	34,630,391
Consultant fees accrued but not due	4,164,551	3,113,392
Deposit from employees	7,432,252	5,674,124
Other accrued liabilities	22,511,622	10,503,856
Interest accrued and due on borrowings	7,841,960	3,316,341
Interest accrued but not due on borrowings	3,243,557	2,372,640
Advance from customers	14,730,853	16,894,467
Creditor for fixed assets	256,263,200	38,790,384
Statutory dues	13,098,130	8,838,884
	<b><u>542,621,885</u></b>	<b><u>243,639,459</u></b>

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

**14. Property, plant and equipment**

Particulars	Computers	Furniture and fixtures	Office equipment	Vehicles	Electrical equipments	Plant machinery	Building	Lease hold land	Leasehold improvements	Free hold land	Intangible Assets	Total
<b>Gross Block</b>												
Balance as at 1 April 2016	8,248,259	28,444,731	6,428,925	23,140,240	37,138,201	474,956,510	354,843,760	46,553,622	12,962,607	56,144,057	-	1,048,860,912
Additions	1,879,765	1,609,065	996,571	12,400,121	5,936,033	88,498,040	3,351,010	63,585,949	36,156,032	-	-	214,412,486
Disposals	-	-	-	7,790,201	-	36,374,739	-	-	-	-	-	44,164,940
Additions pursuant to scheme of arrangement (refer note 43)	4,953,004	66,511	1,122,237	-	563,297	271,787,626	73,333,137	-	-	59,629,000	634,651	412,089,463
Balance as at 01 April 2017	15,081,028	30,120,307	8,547,733	27,750,180	43,637,531	798,887,437	431,527,907	110,139,471	49,118,639	115,773,057	634,651	1,891,197,921
Additions	6,501,379	35,023,902	1,295,227	9,668,406	15,222,668	570,245,948	338,556,033	5,528,553	90,810,285	539,914,527	6,381,522	1,619,149,450
Disposals (refer note d below)	678,275	5,981	53,839	4,826,774	60,313	256,367,807	72,373	-	-	-	450,000	282,515,362
Balance as at 31 March 2016	20,904,132	65,138,228	9,789,121	32,592,792	58,799,866	1,112,745,578	770,011,567	115,668,024	139,928,924	655,687,584	6,585,173	2,987,832,009
<b>Accumulated depreciation</b>												
Balance as at 1 April 2016	5,302,219	11,805,122	3,753,895	6,666,577	15,327,088	189,064,878	64,975,624	163,168	1,981,209	-	-	278,759,358
Depreciation charge	1,794,893	2,792,470	1,120,775	3,187,170	3,829,732	35,758,717	4,998,362	110,911	2,468,254	-	-	56,001,284
Depreciation adjustment on account of sale/disposal	-	-	-	(2,514,643)	-	(23,581,429)	-	-	-	-	-	(26,086,072)
Depreciation pursuant to scheme of arrangement (refer note 43)	355,298	955	53,843	-	13,890	5,163,843	301,972	-	-	-	-	5,889,801
Balance as at 01 April 2017	7,392,410	14,599,547	4,928,313	7,239,104	19,170,690	186,425,907	70,275,959	274,079	4,449,463	-	-	314,554,371
Depreciation charge	3,510,699	4,566,692	1,102,841	3,465,604	4,452,420	64,824,758	9,808,373	712,337	7,570,879	-	117,017	100,131,620
Depreciation adjustment on account of sale/disposal	296,622	6,238	9,393	1,708,525	50,150	5,620,299	15,954	-	-	-	-	7,707,181
Balance as at 31 March 2016	10,606,467	18,959,001	6,021,761	8,996,183	23,572,980	245,630,266	80,088,377	986,416	12,020,342	-	117,017	406,978,810
<b>Net block</b>												
Balance as at 31 March 2017	3,090,912	15,656,204	2,651,026	20,511,056	23,917,434	345,817,847	286,220,784	109,865,392	44,669,176	56,144,057	-	910,443,888
Balance as at 31 March 2018	10,297,645	46,179,227	3,767,360	23,595,609	35,226,926	867,115,312	689,943,190	114,681,608	127,908,562	655,687,584	6,449,156	2,580,853,199

**Note:**

- The Company has entered into an agreement with Uttar Pradesh Awas and Vikas Parishad, Kanpur for purchase of leasehold land having a lease term of 90 years. 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.
- Capital work-in-progress amounting to ₹ 91,093,862 (previous year ₹ 129,509,817) includes plant and machinery pending installation and building under construction.
- 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.
- 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.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**
*(All amounts are in rupees, unless otherwise stated)*
**15 Non-current investments (valued at cost unless stated otherwise)**

	As at 31 March 2018	As at 31 March 2017
<b>Trade investments in equity shares (unquoted)</b>		
<b>Associates</b>		
HCG Regency Oncology Healthcare Private Limited	-	134,951,754
Nil (previous year 11,986,523) Equity shares of ? 10 each fully paid up		
Add: Share in opening reserves-		(91,018)
Add: Share in current year loss	-	(2,690,208)
	-	132,170,528
<b>Regency Nephrocare Private Limited</b>		
1,421,000 (previous year 1,421,000) Equity shares of ? 10 each fully paid up	14,210,000	14,210,000
Add: Share in opening reserves	(5,939,389)	(6,713,927)
Add: Share in current year profit	3,384,269	774,538
	11,654,880	8,270,611
	<b>11,654,880</b>	<b>140,441,139</b>
 Aggregate amount of unquoted investments	 11,654,880	 140,441,139

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 43.

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

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
<b>Capital advances</b>	44,395,547	7,799,610	26,983,919	-
Security deposits	44,493,767	-	35,291,478	-
Advance to employees	-	1,689,029	-	1,929,220
Advance tax [Net of provision for income tax]	76,258,796	-	46,636,281	-
Advance to suppliers	298,763	8,539,934	-	2,371,605
Minimum alternate tax credit receivable (refer note (a) below)	21,835,044	82,235	11,591,504	-
	<b>187,281,917</b>	<b>18,110,808</b>	<b>123,659,843</b>	<b>5,376,551</b>
 <b>Minimum alternate tax credit entitlement</b>				
Balance at the beginning of the year		11,591,504		19,683,442
Add: Minimum alternate tax credit entitlement created during the year		8,220,367		-
Add: Minimum alternate tax credit entitlement created for earlier years		1,982,643		-
Less: Minimum alternate tax credit entitlement utilised during the year		-		8,091,938
Balance at the end of the year		<b>5,353,780</b>		<b>11,591,504</b>

**17 Current investments**

Non trade investments (at lower of cost and fair value, quoted)			
Investment in mutual funds (Non trade - Quoted)			
48,536 (Previous year 48,536) units of Birla Sun Life Monthly Investment Plan - Growth	2,025,000		2,025,000
345,543 (Previous year 81,239) units of HDFC MF Monthly Income Plan - LT - Growth	14,607,720		3,182,720
Nil (Previous year 224,090) Reliance Money manager fund- Growth	-		500,000,000
1,351,296 (Previous year 11,104,843) Reliance Regular savings fund debt option- Growth	30,421,332		250,000,000
	<b>47,054,052</b>		<b>755,207,720</b>
Aggregate amount of market value of quoted investments	49,867,855		759,621,980

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

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>18 Inventories</b> (valued at lower of cost or net realisable value)		
Pharmacy	39,079,614	21,406,037
Surgical, pathological and kitchen items	35,346,830	28,623,412
Other miscellaneous consumable items	2,563,460	2,225,396
	<u><b>76,989,904</b></u>	<u><b>52,254,845</b></u>
<b>19 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	194,360,684	158,960,195
Unsecured, Considered doubtful	19,629,801	16,593,736
	<u>213,990,485</u>	<u>175,553,931</u>
Less: Allowances for bad and doubtful debts	19,629,801	16,593,736
	<u>194,360,684</u>	<u>158,960,195</u>
<b>Other debts</b>		
Unsecured, considered good	97,832,928	164,343,080
Unsecured, Considered doubtful	7,768,166	7,228,207
	<u>105,601,094</u>	<u>171,571,287</u>
Less : Allowances for bad and doubtful debts	7,768,166	7,228,207
	<u>97,832,928</u>	<u>164,343,080</u>
	<u><b>292,193,612</b></u>	<u><b>323,303,275</b></u>
<b>20 Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	3,485,638	2,482,852
Balances with banks in current accounts	30,293,324	26,372,267
Cheques in hand	-	437,425
Other bank balances		
Deposits with maturity more than three months but less than twelve months (refer note (i) below)	177,720,606	7,967,076
	<u><b>211,499,568</b></u>	<u><b>37,259,620</b></u>

**Note**

- (i) Total deposits of ₹ 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**

	<b>As at 31 March 2018</b>		<b>As at 31 March 2017</b>	
	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>
Prepaid expenses	-	7,129,983	-	4,445,167
Unbilled revenue	-	8,443,984	-	8,210,027
Interest accrued and not due on deposits with banks	-	6,406,006	-	344,941
Deferred lease rent recoverable	3,326,723	-	2,897,321	-
Other receivables	-	16,668	-	500,000
	<u><b>3,326,723</b></u>	<u><b>21,996,641</b></u>	<u><b>2,897,321</b></u>	<u><b>13,500,135</b></u>

**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
<b>22 Revenue from operations</b>		
<b>Revenue from</b>		
Healthcare services	1,641,844,057	1,078,231,597
Pharmacy and surgical sales	115,850,438	395,044,058
Nursing school	11,321,850	13,584,366
	<b><u>1,769,016,345</u></b>	<b><u>1,486,860,021</u></b>
<b>23 Other income</b>		
Interest income from banks	7,057,029	412,520
Interest income from others	851,326	1,047,964
Profit on sale of mutual funds	29,570,682	-
Provisions no longer required written back	5,631,898	-
Other non-operating income		
- Income from leasing	5,952,406	5,891,943
- Income from manpower services	41,400	2,265,040
- Sale of food items	1,310,873	1,271,467
- Credit balances written back	-	542,191
- Miscellaneous income	3,652,949	5,322,605
	<b><u>54,068,563</u></b>	<b><u>16,753,730</u></b>
<b>24 Consumption of pharmacy, surgical and kitchen items</b>		
<b>Opening stock</b>	50,029,449	46,762,959
Add : Purchases during the year	<u>414,882,310</u>	<u>352,411,009</u>
	464,911,759	399,173,968
Less : Closing stock	<u>74,426,443</u>	<u>50,029,449</u>
	<b><u>390,485,316</u></b>	<b><u>349,144,519</u></b>
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus	333,756,740	287,045,417
Staff welfare expenses	8,262,112	10,541,160
Gratuity expense (refer note 35)	157,180	2,437,119
Contribution to provident and other defined contribution funds	8,864,230	4,627,017
	<b><u>351,040,262</u></b>	<b><u>304,650,713</u></b>
<b>26 Finance costs</b>		
Interest expense		
- Term loans	93,828,356	64,519,751
- Vehicle loans	1,382,852	1,286,784
- Working capital facilities	10,990,282	9,980,741
- Others	304,457	457,655
Other borrowing cost	<u>4,316,440</u>	<u>7,403,271</u>
	<b><u>110,822,387</u></b>	<b><u>83,648,202</u></b>
<b>27 Depreciation and amortisation expense</b>		
Depreciation and amortisation expense (refer note 14)	<u>100,131,620</u>	<u>56,001,284</u>
	<b><u>100,131,620</u></b>	<b><u>56,001,284</u></b>

**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
<b>28 Other expenses</b>		
Doctor and other professional fees	504,232,940	412,148,902
Power and fuel	76,750,977	53,971,351
Rent (refer note 39)	53,248,455	30,399,316
Repairs and maintenance		
- Buildings	5,251,464	4,872,395
- Plant and machinery	26,429,191	18,855,329
- Vehicles	3,645,041	3,526,204
Office maintenance and others	10,510,938	7,148,743
Insurance	3,570,883	2,419,530
Rates and taxes	3,073,603	3,251,807
Advertisement expenses	13,607,428	4,761,276
Printing and stationery	8,071,970	6,614,597
Corporate social responsibility expenses (refer note 42)	900,000	1,046,000
Donations -		60,000
Legal and professional expenses	11,786,545	5,612,270
Remuneration to auditors (refer note 36)	3,294,964	1,655,661
Security expenses	11,687,687	7,120,966
House keeping expenses	47,502,136	31,412,012
Telephone expense	1,900,622	1,753,008
Travelling expense	6,792,002	6,190,220
Security deposit written off	-	-
Bad debts	36,313,403	29,767,713
Provision for doubtful debts	3,576,024	7,445,295
Bank charges	1,237,465	-
Loss on disposal of fixed assets (net)	802,170	9,580
Expenses incurred on capital raising	1,500,000	28,660,476
Miscellaneous expenses	6,273,560	4,675,059
	<b><u>841,959,468</u></b>	<b><u>673,377,710</u></b>
<b>29 Other prior period items</b>		
Expense not recognised in earlier periods	24,801	-
Depreciation reversal (refer note 14)	<u>(4,864,764)</u>	-
	<b><u>(4,839,963)</u></b>	-
<b>30 Earning per share</b>		
Net profit for the year	25,363,890	20,515,836
Number of shares outstanding as at year end	13,448,065	9,717,190
Weighted average number of shares outstanding	13,448,065	9,717,190
Basic and diluted earnings per share	1.89	2.11
Nominal value of shares	10.00	10.00
<b>31</b>	In compliance with Accounting Standard - 21 "Consolidated Financial Statements" and Accounting Standard - 23 "Accounting for Investments in Associates in Consolidated Financial Statements" referred to in the Companies (Accounting Standard) Rule 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 (the 'Act'), Regency Hospital Limited ('Regency') has prepared the accompanying consolidated financial statements, which include the financial statements of Regency, its subsidiary and the results of operations of its associates listed below:	

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

- a) Detail of the subsidiaries are as under:

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Percentage of ownership</b>	
		<b>Current year</b>	<b>Previous year</b>
Sibling Lifecare Private Limited	India	100.00%	99.99%

- b) Details of associates are as under:

<b>Name of subsidiary</b>	<b>Country of incorporation</b>	<b>Percentage of ownership</b>	
		<b>Current year</b>	<b>Previous year</b>
Regency Nephrocare Private Limited	India	49.00%	49.00%
HCG Regency Oncology Healthcare Private Limited	India	0.00%	49.00%

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

**32 Segment reporting**

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

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

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

Reportable segments	Hospital	Institute	Total 31 March 2017	Hospital	Institute	Total 31 March 2016
<b>Revenue</b>						
Healthcare services	1,641,844,057		1,641,844,057	1,078,231,597		1,078,231,597
Pharmacy and surgical sales	115,850,438		115,850,438	395,044,058		395,044,058
Nursing school		11,321,850	11,321,850		13,584,366	13,584,366
Other income	10,957,629		10,957,629	15,293,246		15,293,246
Unallocated			43,110,935			1,460,484
<b>Total revenue</b>	<b>1,768,652,124</b>	<b>11,321,850</b>	<b>1,823,084,908</b>	<b>1,488,568,901</b>	<b>13,584,366</b>	<b>1,503,613,751</b>
<b>Result</b>						
Segment result	(9,323,133)	2,992,980	(6,330,153)	29,495,647	7,490,852	36,986,499
Unallocated corporate expenses			3,294,964			1,655,661
<b>Operating profit</b>			<b>(9,625,117)</b>			<b>35,330,838</b>
Other income			43,110,935			1,460,484
Current tax			8,260,897			17,134,946
Tax relating to earlier year			5,296,101			1,890,277
Deferred tax			(2,010,270)			(4,665,398)
Minimum Alternate Tax (MAT) credit entitlement			8,220,367			-
<b>Net profit after tax</b>			<b>13,718,722</b>			<b>22,431,497</b>
<b>Other information</b>						
Segment assets	3,326,857,255	125,116,922	3,451,974,177	2,339,603,253	100,103,039	2,439,706,292
Unallocated assets			98,093,840			58,227,785
<b>Total assets</b>			<b>3,550,068,017</b>			<b>2,497,934,077</b>
Segment liabilities	2,093,947,340	98,793,497	2,192,740,837	1,054,004,365	77,131,133	1,131,135,498
Unallocated liabilities			34,422,304			23,139,343
<b>Total liabilities</b>			<b>2,227,163,141</b>			<b>1,154,274,841</b>
<b>Capital expenditure</b> (including capital work in progress and movement in creditors for capital goods and capital advances)	1,365,953,187	115,033,878	1,480,987,064	128,081,186	88,602,035	216,683,221
Unallocated capital expenditure						
<b>Depreciation</b>						
On fixed assets	99,071,602	1,060,017	100,131,620	55,426,949	574,335	56,001,284
<b>Other non-cash adjustments</b>	<b>34,414,709</b>	<b>-</b>	<b>34,414,709</b>	<b>39,963,042</b>	<b>-</b>	<b>39,963,042</b>

**Note for segment reporting**

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

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

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

S. No	Name of the entity	Net assets		Share in profit/loss	
		As a percentage of consolidated net assets	Amount (₹)	As a percentage of consolidated profit or (loss)	Amount (₹)
Parent Company					
1	Regency Hospital Limited	100%	1,326,306,867	93%	23,470,387
Subsidiary					
2	Sibling Lifecare Private Limited	0%	(746,874)	-6%	(1,490,771)
Associate (as per equity method)					
3	Regency Nephrocare Private Limited	0%	(2,555,120)	13%	3,384,269
Subtotal		100%	1,323,004,873	100%	25,363,885
Less: Effects of intercompany eliminations/adjustments		0%	99,997	0%	-
Total		100%	1,322,904,876	100%	25,363,885

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

**34 Related party disclosures**

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

<b>Relationship</b>	<b>Name</b>
Key Management Personnel (KMP)	1. Dr. Atul Kapoor (Managing Director) 2. Dr. Rashmi Kapoor (Whole Time Director)
Relatives of KMP and relationship	
- Father of Dr. Atul Kapoor	1. Mr. Anant Ram Kapoor
- Brother of Dr. Atul Kapoor	2. Mr. Arun Kapoor
- Son of Dr. Atul Kapoor and Dr Rashmi Kapoor	3. Mr. Abhishek Kapoor
- Wife of Mr. Abhishek Kapoor	4. Mrs. Janhvi Kapoor
Associates	1. HCG Regency Oncology Healthcare Private Limited (Till 31 March 2017) (Refer Note 43) 2. Regency Nephrocare Private Limited
Enterprises owned or significantly influenced by KMP or their relatives	Matrix Merchandise Private Limited Matrix Merchandise Trading Private Limited Matrix Plast Private Limited Amrita Charitable Trust Dr. Atul Kapoor - Hindu Undivided Family (HUF)

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

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
<b>Lease rent income</b>		
Regency Nephrocare Private Limited		
- from medical equipment	1,773,467	1,622,784
- from building	4,272,087	3,988,541
Amrita Charitable trust		
- from building	186,001	204,000
<b>Maintenance service for building</b>		
- Regency Nephrocare Private Limited	211,192	270,180
<b>Investment in equity shares (including securities premium)</b>		
- HCG Regency Oncology Healthcare Private Limited	-	52,446,273
<b>Fee for medical services received</b>		
- Regency Nephrocare Private Limited	61,864,735	50,369,488
- Dr. Rashmi Kapoor	10,089,809	9,287,283
<b>Investigation and medical tests performed for</b>		
- HCG Regency Oncology Healthcare Private Limited	-	177,110
<b>Remuneration</b>		
- Mr. Anant Ram Kapoor	180,000	180,000
- Dr. Atul Kapoor	10,967,515	7,258,570
- Dr. Rashmi Kapoor	8,545,161	6,721,136
- Mr. Arun Kapoor	1,575,000	1,500,000
- Mr. Abhishek Kapoor	4,500,000	3,000,000
- Mrs. Janhvi Kapoor	481,694	420,000

**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
<b>Share in investigation charges</b>		
- Dr. Rashmi Kapoor	3,340,492	3,629,808
- Dr. Atul Kapoor	-	316,978
<b>Lease rent expense</b>		
- Anant Ram Kapoor	7,389,000	6,900,000
- Dr. Atul Kapoor	990,000	990,000
- Dr. Rashmi Kapoor	3,900,000	3,900,000
<b>Payments made on behalf of</b>		
- Regency Nephrocare Private Limited	1,295,715	1,422,815
- Mr. Anant Ram Kapoor	-	462,170
<b>Purchase of surgical items</b>		
- Matrix Merchandise Private limited	-	124,950
<b>Corporate social responsibility expenses</b>		
- Amrita Charitable Trust	900,000	1,046,000
<b>Sale of pharmacy and surgical items</b>		
- HCG Regency Oncology Healthcare Private Limited	-	11,494,533
<b>Sale of Fixed assets</b>		
-Matrix Plast Private Limited		14,175,000
<b>Revenue claimed on behalf of</b>		
- HCG Regency Oncology Healthcare Private Limited	-	17,740,579

**c) Details of outstanding balances of the related parties in ordinary course of business are as follows:-**

	As at 31 March 2018	As at 31 March 2017
<b>Payable for medical services received</b>		
- Dr. Rashmi Kapoor	1,026,185	969,361
- Regency Nephrocare Private Limited	25,565,939	19,812,608
<b>Rent receivable</b>		
- Regency Nephrocare Private Limited	3,113,642	3,452,742
<b>Receivable for expenses incurred on behalf of</b>		
- Regency Nephrocare Private Limited	3,644,790	437,966
<b>Receivable for sale of pharmacy and surgical items</b>		
- Matrix Merchandise Trading Private Limited	10,891,347	19,150,747
- HCG Regency Oncology Healthcare Private limited	-	11,494,533
<b>Security deposit receivable</b>		
- Dr. Rashmi Kapoor	5,825,000	5,828,290

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

**Advance given**

- Mrs. Janhvi Kapoor	54,880	117,500
- Dr. Rashmi Kapoor	1,162	359,135

**Investments in equity shares**

- Regency Nephrocare Private limited	14,210,000	14,210,000
- HCG Regency Oncolgy Healthcare Private limited	-	134,951,754

**Payable for revenue claimed on behalf of**

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

Personal guarantee given by Dr. Atul Kapoor and Dr. Rashmi Kapoor for loans the outstanding balance of which is 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 Oncolgy Healthcare Private Limited Rs. 453,000,000. The outstanding balance against the same which was Rs 501,478,148

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

**35 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
<b>Change in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	21,124,455	18,687,336
Current service cost	5,148,678	3,423,441
Interest cost	1,509,328	1,445,409
Plan Amendment Costs/(Credit)	(1,602,893)	-
Actuarial loss	(10,529,831)	(2,118,816)
Benefit Payments	-	(312,915)
Present value of defined benefit obligation at the end of the year	<b>15,649,737</b>	<b>21,124,455</b>

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

Present value of defined benefit obligation	15,649,737	21,124,455
Less: Fair value of plan assets	2,147,472	-
Liability recognised in the balance sheet	<b>13,502,265</b>	<b>21,124,455</b>

Recognised under:

- Long-term provision	13,501,265	17,014,419
- Short-term provision	1,000	3,797,121
	<b>13,502,265</b>	<b>20,811,540</b>

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

Current service cost	5,148,678	3,423,441
Interest cost	1,509,328	1,445,409
Past Service Cost	(1,602,893)	-
Actuarial loss/ (Gains)	(10,529,831)	(2,118,816)
<b>Total expense</b>	<b>(5,474,718)</b>	<b>2,750,034</b>
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	13,502,265	21,124,455	18,687,336	6,062,000	5,331,000
Experience adjustment on plan liabilities	-10,529,831	-2,118,816	422,336	805,586	179,988

**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	4,016,992	2,553,722
Employee state insurance paid to the authorities	4,847,238	2,073,295

**36 Remuneration to auditors**

Payment to auditor:\*

- Statutory audit	2,419,000	1,627,250
- Limited review	-	-
- Others	848,500	-

Out of pocket expenses	27,464	28,411
	<b>3,294,964</b>	<b>1,655,661</b>

Including gst/service Tax

**37 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.

**38 (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)	49,651,830	41,395,610
Disputed demand of Customs Department (refer note (b) below)	1,923,000	1,923,000
Bank Guarantee furnished to Director, CGHS and ECHS	2,900,000	3,700,000
Corporate Guarantee (refer note (c) below)	3,502,616	453,000,000
Bonus (refer note (d) below)	2,000,000	3,502,616
Income taxes (AY 2013-14, 2014-15 and 2016-17 )	359,917	2,028,125
Foreign Letter of Credit (USD 23,47,400)	152,172,130	-
Inland Letter of Credit	3,000,000	-
Foreign Buyer's Credit	3,745,028	-

(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 yeat 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 effective from 1 April 2014) revised the thresholds for coverage of employees eligible for bonus and also enhanced the ceiling limits for computation of bonus. However, taking cognizance of the stay granted by various High Courts and pending disposal of such matter, the Company has not recognised the differential amount of bonus of ₹ 3,502,616 for the period 1 April 2014 to 31 March 2015 and accordingly has recognised the expense in accordance with the Payment of Bonus (Amendment) Act, 2015 w.e.f. 1 April 2015 and onwards.

(e) Interest and claims by customers, suppliers, lenders and empyoees 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.

**(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.

### 39 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 ₹ 5,952,406 and ₹ 5,891,943 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 ₹ 53,248,455 and ₹ 30,399,316 respectively. The Company has executed non- cancellable operating leases. Expected future minimum lease payments in respect of such leases are as follows:

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>The minimum lease payments for the lease term are as under:</b>		
Year ending after balance sheet date:		
Not later than one yea	59,571,047	74,783,189
Later than one year but not later than five years	417,282,209	406,090,901
Later than five years	390,643,449	354,698,721
<b>The minimum lease receipts for the lease term are as under:</b>		
Year ending after balance sheet date:		
Not later than one year	3,825,138	3,554,140
Later than one year but not later than five years	17,311,152	18,659,236
Later than five years	12,633,516	13,608,251

**40 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	390,485,316	100%	349,144,519	100%
Imported	-	-	-	-
<b>Total</b>	<b>390,485,316</b>	<b>100%</b>	<b>349,144,519</b>	<b>100%</b>

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

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	USD	INR	USD	INR
Interest expense	2,748	180,111	8,605	648,190
	EURO		EURO	
	INR		INR	
Professional fees	2,787	211,812	1,247	80,828
	USD		USD	
	INR		INR	
Import of Capital Goods	94,900	6,112,561	-	-

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

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	USD	INR	USD	INR
Payable in foreign currency	2,722,046	176,444,399	55,165	3,576,822

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

	As at 31 March 2018	As at 31 March 2017
<b>a) Investment</b>		
Investment in Associate- HCG Regency Oncology Healthcare Private Limited		
Balance as at the year end	-	134,951,754
Maximum amount outstanding at any time during the year	-	134,951,754
<b>b) Guarantee given</b>		
Corporate guarantee - HCG Regency Oncology Healthcare Private Limited		
Balance as at the year end	-	453,000,000
(Corporate guarantee in respect of borrowings availed by Associate Company (read with note 37))		

**42 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 2018	For the year ended 31 March 2017
Education	900,000	1,046,000

- 43** 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. Further, the same has been filed in the office of Registrar of Companies Uttar Pradesh and Uttarakhand on December 07, 2018 through Form INC-28 which has been duly approved by them \ on December 11, 2018. The impact of the above scheme of merger is considered in these financial statements. Impact of this has been disclosed below.

<b>Particulars</b>	<b>Amount in Rs.</b>
Gross Block of fixed assets of the transferor company as at 31 March 2017	412,089,463
Less : Accumulated depreciation of the transferor company as at 31st March 2017	5,889,801
Net block of the transferor company as at 31 March 2017	406,199,662
CWIP of the transferor company as at 31 March 2017	392,405,281
Non Current assets of the transferor company as at 31 March 2017	26,258,774
Current assets of the transferor company as at 31 March 2017	17,337,935
Total assets of the transferor company as at 31 March 2017 (A)	842,201,653
Non Current liabilities of the transferor company as at 31 March 2017	515,381,029
Current liabilities of the transferor company as at 31 March 2017	63,400,882
Total liabilities of the transferor company as at 31 March 2017 (B)	578,781,911
Net assets taken over as on 1 April 2017 (C=A-B)	263,419,742
Less: Investment in the books of Transfree company as at 31 March 2017 (D)	(134,951,754)
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)	57,914,120
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)	11,343,926
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)	(246,625,500)
<b>Net amalgamation adjustment (H= C-D-E-F-G)</b>	<b>(48,899,466)</b>
<b>The above adjustment has been disclosed as follows in the financial statements, in line with the order of the Regional Director:</b>	
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)	(3,731,951)
Balance adjustment disclosed as adjustment to securities premium reserve (J=H-I)	(45,167,515)

- 44** 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.
- 45** 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.

**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 Walker Chandio & Co LLP  
Chartered Accountants

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**  
Director  
DIN- 01449229

Sd/  
**Rishi Tandon**  
Company Secretary

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

Sd/  
**Deepak Gupta**  
Chief Financial Officer

Place : Kanpur  
Date : 14 December 2018

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**
**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.

**Emphasis of Matter**

9. We draw reference to note 40 to the accompanying standalone financial statements which describes that the Board of Directors of the Company approved scheme of merger between the HCG Regency Oncology Healthcare Private Limited ('Transferor Company') and the Company and their respective shareholders and creditors (hereinafter referred to as "the Scheme") with appointed date of 1 April 2017. The accompanying standalone financial statements are prepared after giving effect to the Scheme pursuant to the approval of the Scheme received from the Regional Director vide his order dated 29 November 2018. Our opinion is not modified in respect of this matter.

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**
**Other Matter**

10. 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 standalone 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 standalone 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 standalone 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.

**Report on Other Legal and Regulatory Requirements**

11. 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.
12. Further to our comments in Annexure 1, as required by Section 143(3) of the Act, we report that:
- 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;
  - 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;
  - the standalone financial statements dealt with by this report are in agreement with the books of account;
  - 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);
  - 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;

- 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;
- 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:
  - the Company, as detailed in Note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position
  - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - 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

**Sumit Mahajan**

Partner

Membership No.: 504822

Place: Kanpur

Date: 14 December 2018

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 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 statement

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

the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

**Statement of Disputed Dues**

Name of the statute	Nature of dues	Amount ₹	Amount paid under Protest ₹	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Custom duty	3,845,000	1,923,000	1990-93	Hon'ble Allahabad High Court

- (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.

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

- (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 Chandlok & 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.

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

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.

**Other Matters**

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 standalone 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 standalone 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 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

**Stand Alone Balance Sheet as at 31st March, 2018**

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	5	134,480,650	134,480,650
Reserves and surplus	6	1,191,826,217	1,217,255,294
		<b>1,326,306,867</b>	<b>1,351,735,944</b>
<b>Non-current liabilities</b>			
Long-term borrowings	7	1,151,270,764	563,821,057
Deferred tax liabilities (net)	8	34,422,304	23,175,215
Other long-term liabilities	9	144,192,851	68,536,367
Long-term provisions	10	13,721,327	17,014,419
		<b>1,343,607,246</b>	<b>672,547,058</b>
<b>Current liabilities</b>			
Short-term borrowings	11	148,657,827	78,236,184
Trade payables	12		
- Dues of micro enterprises and small enterprises		150,547	-
- Dues of creditors other than micro enterprises and small enterprises		186,267,796	152,319,990
Other current liabilities	13	542,184,135	243,605,034
Short-term provisions	10	5,844,858	7,568,023
		<b>883,105,163</b>	<b>481,729,231</b>
<b>Total</b>		<b>3,553,019,276</b>	<b>2,506,012,233</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Property, Plant and Equipment	14	2,574,404,041	910,443,888
Intangible assets	14	6,449,156	-
Capital work-in-progress	14	91,093,861	129,509,817
Intangible assets under development	14	8,012,854	4,079,923
Non-current investments	15	14,310,000	149,261,744
Long-term loans and advances	16	187,227,026	123,748,893
Other non-current assets	21	3,326,723	2,897,321
		<b>2,884,823,661</b>	<b>1,319,941,586</b>
<b>Current assets</b>			
Current investments	17	47,054,052	755,207,720
Inventories	18	76,989,904	52,254,845
Trade receivables	19	292,684,512	322,531,553
Cash and bank balances	20	211,359,698	37,199,843
Short-term loans and advances	16	18,110,808	5,376,551
Other current assets	21	21,996,641	13,500,135
		<b>668,195,615</b>	<b>1,186,070,647</b>
<b>Total</b>		<b>3,553,019,276</b>	<b>2,506,012,233</b>
Notes 1 to 42 form an integral part of these financial statements In terms of our report attached			

**For Walker Chandlok & 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

### Stand Alone Statement of Profit and Loss

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>REVENUE</b>			
Revenue from operations	22	1,769,016,345	1,486,860,021
Other income	23	54,138,913	16,822,705
<b>Total revenue</b>		<b>1,823,155,258</b>	<b>1,503,682,726</b>
<b>EXPENSES</b>			
Consumption of pharmacy, surgical and kitchen items	24	390,485,316	349,144,519
Employee benefits expense	25	351,040,262	304,650,713
Finance costs	26	110,810,455	83,647,819
Depreciation and amortisation expense	27	100,131,620	56,001,284
Other expenses	28	840,586,854	673,330,978
Prior period items	29	(4,839,963)	-
<b>Total expenses</b>		<b>1,788,214,544</b>	<b>1,466,775,313</b>
<b>Profit before tax</b>		<b>34,940,713</b>	<b>36,907,414</b>
<b>Tax expense</b>			
- Current tax		8,260,897	17,134,946
- Current tax relating to earlier year		(2,010,270)	-
- Deferred tax		5,260,229	(4,629,526)
- Deferred tax relating to earlier year		8,220,367	1,890,277
- Minimum Alternate Tax (MAT) credit entitlement		(8,260,897)	-
<b>Profit/(loss) for the year</b>		<b>23,470,388</b>	<b>22,511,717</b>
<b>Earnings per equity share (nominal value ₹ 10)</b>			
Basic and diluted	30	1.75	2.32
<b>Notes 1 to 42 form an integral part of these financial statements In terms of our report attached</b>			

**For Walker Chandlok & 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/-  
**Rishi Tandon**  
Company Secretary

Place : Kanpur  
Date : 14 December 2018

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

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

**Cash Flow Statement for the year ended 31st March, 2018**

(All amounts are in rupees, unless otherwise stated)

PARTICULARS	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Profit before tax	34,940,713	36,907,414
<b>Adjustments for:</b>		
Depreciation expense	100,131,620	56,001,284
Interest expense	110,810,455	83,647,819
Interest income	(7,908,355)	(412,520)
Loss on sale of fixed asset( net)	802,170	9,580
Profit on sale of current investments	(29,570,682)	(9,060)
Provision for doubtful debts	3,576,024	7,445,295
Credit balances written back	-	(542,191)
Bad debts	36,313,403	29,767,713
Provisions no longer required written back	(5,631,898)	-
<b>Operating profit before working capital changes</b>	<b>243,463,450</b>	<b>212,815,334</b>
Adjustments for movement in:		
Increase in trade payables	34,098,353	43,081,067
Increase in provisions and other liabilities	47,328,434	25,258,613
(Increase) in trade receivables	(10,042,386)	(95,320,263)
Decrease/(Increase) in loans and advances and other assets	(53,521,053)	32,003,082
(Increase)/decrease in inventories	(24,735,059)	(3,804,721)
<b>Cash generated from operations</b>	<b>236,591,739</b>	<b>214,033,112</b>
Less: Taxes paid (net)	(223,233)	(24,615,046)
<b>Net cash generated from operating activities</b>	<b>236,368,505</b>	<b>189,418,065</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including capital work in progress and movement in creditors for capital goods and capital advances)	(1,480,987,064)	(216,683,222)
Proceeds from sale of fixed assets	2,502,314	18,059,288
Interest received	1,502,350	67,579
(Purchase) of/proceeds from non-current investments	134,951,744	(52,446,273)
Adjustment pursuant to the scheme of arrangement (refer note 40)	(48,899,466)	-
Purchase of current investments	(21,425,000)	(755,382,720)
Proceeds from sale of current investments	759,149,350	649,060
Investment in bank deposits (having original maturity of more than three months)	(169,753,530)	(6,699,348)
<b>Net cash used in investing activities</b>	<b>(822,959,302)</b>	<b>(1,012,435,636)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	-	928,293,119
Movement in short-term borrowings (net)	70,421,643	(61,390,627)
Proceeds from long-term borrowings	716,772,760	423,480,076
Repayment of long-term borrowings	(88,630,386)	(381,727,822)
Interest paid	(107,566,898)	(81,275,179)
<b>Net cash generated from/(used in) financing activities</b>	<b>590,997,121</b>	<b>827,379,567</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,406,325</b>	<b>4,361,997</b>
Cash and cash equivalents at the beginning of the year	29,232,767	24,870,770
<b>Cash and cash equivalents at the end of the year</b>	<b>33,639,092</b>	<b>29,232,767</b>

	For the year ended 31st March 2018	For the year ended 31st March 2017
<b>D Cash and bank balances</b>		
Cash on hand	3,468,333	2,469,982
Cheques on hand	-	437,425
Balances with banks in current accounts	30,170,759	26,325,360
	<b>33,639,092</b>	<b>29,232,767</b>

**Note:**

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

Notes 1 to 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

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

Sd/-  
**Sumit Mahajan**  
Partner  
Membership No.: 504822

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

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 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.

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

*Revenue from academic services*

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

*Equipment lease rentals and income from rent*

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

*Interest*

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

**b. Inventories**

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

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

**c. Investments**

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

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

**d. Fixed assets**

*Property, plant and equipment*

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

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

All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the 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.

*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.

***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.

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

	As at 31st March 2018		As at 31st March 2017	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	55,000,000	550,000,000	20,000,000	200,000,000
	55,000,000	550,000,000	20,000,000	200,000,000
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10 each	13,448,065	134,480,650	13,448,065	134,480,650
	<b>13,448,065</b>	<b>134,480,650</b>	<b>13,448,065</b>	<b>134,480,650</b>

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

The Company has only one class of equity shares having a par value of ₹ 10 each.

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of the emaining 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 receding five years. The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

**(c) Reconciliation of share capital**

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

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

	Number	% of shareholding	Number	% of shareholding
Dr. Rashmi Kapoor	3,231,030	24.03%	3,231,030	24.03%
Dr. Atul Kapoor	2,702,260	20.09%	2,649,210	19.70%
Atul Kapoor (HUF)	1,182,523	8.79%	1,182,523	8.79%
Anant Ram Kapoor	886,252	6.59%	886,252	6.59%
Soni Kapoor	649,210	4.83%	649,210	4.83%
International Finance Corporation	2,683,543	19.95%	2,683,543	19.95%
Kois Holdings	745,154	5.54%	1,036,912	7.71%

	As at 31 March 2018	As at 31 March 2017
<b>6 Reserves and surplus</b>		
<b>Securities premium reserve</b>		
Balance at the beginning and end of the year	897,370,149	9,971,000
Add: Additions during the year (refer note (a) below)	-	887,399,149
Less: Adjustment pursuant to scheme of arrangement (refer note 40)	(45,167,515)	-
	<b>852,202,634</b>	<b>897,370,149</b>
<b>General reserve</b>		
Balance at the beginning and end of the year	118,740,101	118,740,101
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	201,145,045	178,633,328
Add : Profit for the year	23,470,388	22,511,717
Add : Adjustment pursuant to the scheme of arrangement (refer note 40)	(3,731,951)	-
<b>Balance at the end of the year</b>	<b>220,883,482</b>	<b>201,145,045</b>
	<b>1,191,826,217</b>	<b>1,217,255,294</b>

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

- (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, Kojs Holdings and Healthquad Fund at an issue price of ₹ 227 per share including securities premium of ₹ 217 per share.

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

Term loan from banks and financial institutions (refer note (a) below)	1,260,763,016	626,974,602
Vehicle loans from banks and financial institutions (refer note (b) below)	14,586,084	13,171,463
Buyers credit (refer note (c) below)	<u>3,745,028</u>	<u>3,576,822</u>
	1,279,094,128	643,722,887
<b>Less: Current maturities of long-term borrowings (refer note 13)</b>	<u>127,986,600</u>	<u>83,261,216</u>
	<b><u>1,151,107,528</u></b>	<b><u>560,461,671</u></b>

**Unsecured**

Term Loans from banks (refer note (d) below)	346,217	2,378,278
Term Loans from financial institutions (refer note (e) below)	<u>3,007,018</u>	<u>8,203,823</u>
Less: Current maturities of long-term borrowings (refer note 13)	<u>3,189,999</u>	<u>7,222,716</u>
	163,236	3,359,385
	<b><u>1,151,270,764</u></b>	<b><u>563,821,057</u></b>

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

Name of bank/ Financial Institution	As at 31 March 2018	As at 31 March 2017	Repayment terms	Details of security
HDFC Bank	14,626,635	17,919,994	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	148,458,232	180,096,871	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	28,334,541	33,123,477	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	38,000,000	46,000,000	Duration: 84 Months, repayable in 20 quarterly instalment of ₹ 2,000,000 beginning from 30 October 2016 and thereafter 4 quarterly instalment of ₹ 2,500,000 per quarter till 30 July 2022.	1. Secured by way of equitable mortgage of the land and building of the Renal Care Centre. 2. Exclusive charge on all the present and future movable fixed assets and current assets of the Renal Care Centre. 3. First charge on specific medical equipments 4. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor."
Yes Bank Limited	142,400,000	97,900,000	Duration: 102 Months (including 18 Months Moratorium), 28 quarterly instalment of ₹ 5,085,714 per quarter beginning from 31 March 2018 till 31 March 2025.	1. First and exclusive charge on current assets of South Kanpur Hospital both Present and Future. 2. First and Exclusive charge on fixed Assets (movable & immovable) of Renal Care Centre. 3. Exclusive Charge on Medical Equipment and Movable Fixed Assets of South Kanpur Hospital Both Present and Future. 4. Personal Guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor."
HDFC Bank	23,119,367	36,858,267	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	43,106,814	45,500,000	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. 5. Equitable mortgage of residential as well as commercial property as mentioned below: a) 117/A-2 Sarvodya Nagar, Kanpur b) 117/138 B-2 Sarvodya Nagar, Kanpur c) 117/101, K-Block Kakadeo Hospital Kanpur, UP
HDFC Bank	79,876,310	80,000,000	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.	
HDFC Bank	81,522,370	89,575,993	102 Equated Monthly Instalment (EMI's) of ₹ 1,383,869, beginning from 5 September 2016 and ending on 5 February 2025.	

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

Name of bank	As at 31 March 2018	As at 31 March 2017	Repayment terms	Details of security																						
HDFC Bank	37,178,747	-	Equated Monthly Instalments (EMIs) of ₹ 556,708	<div>1. First and exclusive charge on all current assets (Stock, consumables and book debts of Regency Hospital Limited ( Both presnt &amp; future of MSH)</div> <div>2. First and exclusive charge on fixed assets (movable &amp; immovable) including Land &amp; Building of Regency Hospital Limited ( both current &amp; future of MSH)</div> <div>3. First &amp; exclusive charge thur equitable mortgage of Regency Hospital Limited</div> <div>4. Hypo-thecation and exclusive charge on plant &amp; machinery &amp; other assets of the company RHL-MSH facility ( Both current &amp; future)</div> <div>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.</div> <div>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 Hdfc Bank Ltd.</div> <div>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.</div> <div>8. Equitable mortgage of residential as well as commercial property as mentioned below:<div>a) 117/A-2 Sarvodya Nagar, Kanpurb) M/s Abhirev Healthcare Pvt Ltd. ( amalgamated with Regency Hospital Ltd.</div><div>b)- 117/138 B-2 Sarvodaya Nagar Kanpur UP</div><div>c) 117/101, K-Block Kakadeo Hospital Kanpur, UP</div></div>																						
HDFC Bank	53,840,000	-	Equated Monthly Instalments (EMIs) of ₹ 757,122																							
Yes Bank Limited	570,300,000	-	<div>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:</div> <table><thead><tr><th>Year</th><th>Repayment</th></tr></thead><tbody><tr><td>1to3</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></tbody></table>	Year	Repayment	1to3	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"	<div>1. Exclusive charge on Land &amp; Building located at A-4 Sarvodya Nagar, Kanpur.</div> <div>2. Exclusive charge on all movable fixed and current assets (both present &amp; future).</div> <div>3. Unconditional and irrevoaable corporate gurantee from HCG Ltd. For entrie loan amount to remain valid during the tenor of YBL facilities.</div> <div>4. Letter of comfort from Regency Hospital backed by Board Resolution to remain valid during the tenor of YBL facilities."</div>
Year	Repayment																									
1to3	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"																									
1,260,763,016		626,974,602																								

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 loans from financial institutions**

Name of party	As at 31 March 2018	As at 31 March 2017	Terms of repayment
Allahabad Bank	966,905	-	Equated Monthly Instalments (EMIs) of ₹ 22,300 Secured by way of charge on vehicle financed through the loan facility.
Kotak Mahindra Prime Limited	13,619,179	13,171,463	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.
	<b>14,586,084</b>	<b>13,171,463</b>	

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	-	1,715,954	1039 Days (Ending on 29 June 2017) Secured by hypothecation of underlying asset for which the loan has been obtained.
Yes Bank Limited	-	1,860,868	1075 Days (Ending on 15 June 2017) Secured by hypothecation of underlying asset for which the loan has been obtained.
Yes Bank Limited	3,745,028	-	360 Days ( Ending on 2 July 2018 ) Secured by hypothecation of underlying asset for which the loan has been obtained.
	<b>3,745,028</b>	<b>3,576,822</b>	

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 loans from bank**

Name of Bank	As at 31 March 2018	As at 31 March 2017	Terms of repayment
Kotak Mahindra Bank Limited	-	753,808	24 Equated Monthly Instalments (EMIs) of ₹ 194,899 per month beginning from 10 August 2015 till 10 July 2017
HDFC Bank Limited	346,217	1,624,470	36 Equated Monthly Instalments (EMIs) of ₹ 117,912 per month beginning from 04 July 2015 till 04 June 2018
	<b>346,217</b>	<b>2,378,278</b>	

Note:

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

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

Name of financial institution	As at 31 March 2017	As at 31 March 2016	Terms of repayment
Bajaj Finserv Lending	118,500	1,441,288	36 Equated Monthly Instalments (EMIs) of ₹ 121,329 per month beginning from 02 May 2015 till 02 April 2018.
Magma Fincorp Limited	2,570,668	4,559,890	48 Equated Monthly Instalments (EMIs) of ₹ 222,277 per month beginning from 07 May 2015 till 07 April 2019
Tata Capital Financial Services	317,850	2,202,645	36 Equated Monthly Instalments (EMIs) of ₹ 174,553 per month beginning from 03 June 2015 till 03 May 2018
	<b>3,007,018</b>	<b>8,203,823</b>	

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

	As at 31 March 2018	As at 31 March 2017		
<b>8 Deferred tax liabilities (net)</b>				
<b>Deferred tax liability</b>				
Impact of timing difference on tangible assets depreciation	94,528,352	53,463,042		
Deferred lease rent recoverable	916,595	957,941		
<b>Deferred tax assets</b>				
Provision for gratuity	(3,720,212)	(6,984,379)		
Provision for bonus	(2,842,151)	(2,412,103)		
Provision for doubtful debts	(7,548,825)	(7,876,249)		
Rent equalisation reserve	(3,147,207)	(1,604,334)		
Expenses incurred on capital raising	(8,646,078)	(12,368,703)		
Carry forward loss as per Income Tax Act	(35,118,170)	-		
	<b>34,422,304</b>	<b>23,175,215</b>		
<b>9 Other long-term liabilities</b>				
Rent equalisation reserve	11,422,582	5,564,913		
Creditor for capital goods	112,278,647	46,164,895		
Deposit from employees	20,491,622	16,806,559		
	<b>144,192,851</b>	<b>68,536,367</b>		
<b>10 Provisions</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>		
	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>
Provision for gratuity (refer note 33)	13,501,265	1,000	17,014,419	3,797,121
Provision for compensated absences	220,062	3,843,858	-	3,770,902
Other Provisions [refer note 36(b)]	-	2,000,000	-	-
	<b>13,721,327</b>	<b>5,844,858</b>	<b>17,014,419</b>	<b>7,568,023</b>
<b>11 Short-term borrowings</b>				
Working capital borrowings from banks (refer note below)		148,657,827		78,236,184
		<b>148,657,827</b>		<b>78,236,184</b>

Name of bank	As at 31st March 2018	As at 31 March 2017	Details of security
Yes Bank Limited	20,628,070	19,402,885	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	1,538,950	-	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	126,490,807	58,833,299	Same as defined in note 7(a).
	<b>148,657,827</b>	<b>78,236,184</b>	

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.)

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
<b>12 Trade payables</b>		
Dues to micro, small and medium enterprises (refer note a below)	150,547	-
Dues to others	186,267,796	152,319,990
	<b>186,418,343</b>	<b>152,319,990</b>

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

Principal amount remaining unpaid	143,864	-
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)	131,176,599	90,483,932
Employee related payables	36,830,447	29,021,048
Consultant fee payable	45,328,714	34,630,391
Consultant fees accrued but not due	4,164,551	3,113,392
Deposit from employees	7,432,252	5,674,124
Other accrued liabilities	22,175,690	10,469,431
Interest accrued and due on borrowings	7,841,960	3,316,341
Interest accrued but not due on borrowings	3,243,557	2,372,640
Advance from customers	14,730,853	16,894,467
Creditor for capital goods	256,263,200	38,790,384
Statutory dues	12,996,312	8,838,884
	<b>542,184,135</b>	<b>243,605,034</b>

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

14. Tangible Assets												
Particulars	Computers	Furniture and fixtures	Office equipment	Vehicles	Electrical equipments	Plant machinery	Building	Lease hold land	Leasehold improvements	Free hold land	Intangible Assets	Total
Gross Block												
Balance as at 1 April 2016	8,248,259	28,444,731	6,428,925	23,140,240	37,138,201	474,956,510	354,843,760	46,553,622	12,962,607	56,144,057	-	1,048,860,812
Additions	1,879,765	1,609,065	996,571	12,400,121	5,936,033	88,498,040	3,351,010	63,595,649	36,156,032	-	-	214,412,486
Disposals	-	-	-	7,790,201	-	38,374,739	-	-	-	-	-	44,164,940
Additions pursuant to scheme of arrangement (refer note 40)	4,953,004	66,511	1,122,237	-	563,297	271,787,626	73,333,137	-	-	59,629,000	634,651	412,089,463
Balance as at 01 April 2017	15,081,028	30,120,307	8,547,733	27,750,160	43,637,531	798,967,437	431,527,907	110,139,471	49,118,639	115,773,057	634,651	1,631,197,921
Additions	8,501,377	35,023,902	1,295,227	9,669,406	15,222,668	570,245,948	338,558,033	5,528,553	90,810,285	539,914,527	8,381,522	1,619,149,448
Disposals (refer note d below)	678,275	5,981	53,839	4,826,774	60,313	256,367,807	72,373	-	-	-	450,000	262,515,360
Balance as at 31st March 2018	20,904,130	65,138,228	9,786,121	32,592,792	58,798,866	1,112,745,579	770,011,567	115,668,024	139,928,924	655,687,594	6,566,173	2,987,832,009
Accumulated depreciation												
Balance as at 1 April 2016	5,302,219	11,505,122	3,753,695	6,566,577	15,327,068	169,084,676	64,975,624	163,168	1,981,209	-	-	278,759,358
Depreciation charge	1,734,893	2,792,470	1,120,775	3,187,170	3,829,732	35,758,717	4,988,382	110,911	2,468,254	-	-	58,001,284
Depreciation adjustment on account of sale/disposal	-	-	-	(2,514,643)	-	(23,581,429)	-	-	-	-	-	(26,098,072)
Depreciation pursuant to scheme of arrangement (refer note 40) (also refer note d below)	355,298	955	53,843	-	13,890	5,163,843	301,972	-	-	-	-	5,889,801
Balance as at 01 April 2017	7,392,410	14,386,547	4,928,313	7,239,104	19,170,690	186,425,807	70,275,958	274,079	4,449,463	-	-	314,554,371
Depreciation charge	3,510,899	4,566,892	1,102,641	3,465,604	4,452,420	64,824,758	9,808,373	712,337	7,570,879	-	117,017	100,131,820
Depreciation adjustment on account of sale/disposal	296,622	6,238	9,393	1,708,525	50,150	5,820,299	15,954	-	-	-	-	7,707,181
Balance as at 31st March 2018	10,606,487	18,959,001	6,021,761	8,996,183	23,572,960	245,630,266	80,068,377	986,416	12,020,342	-	117,017	406,978,810
Net block												
Balance as at 31st March 2017	3,090,912	15,656,204	2,551,026	20,511,056	23,917,434	345,817,847	288,220,784	109,865,392	44,669,176	56,144,057	-	910,443,888
Balance as at 31st March 2018	10,287,643	46,179,227	3,767,360	23,596,609	35,226,926	867,115,313	689,943,190	114,681,608	127,908,582	655,687,594	6,449,156	2,580,853,197

**Note:**

- The Company has entered into an agreement with Uttar Pradesh Awasth 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.
- Capital work-in-progress amounting to ₹ 91,093,862 (previous year ₹ 129,509,817) includes plant and machinery pending installation and building under construction.
- 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.
- 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.

**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
<b>15 Non-current investments</b> (valued at cost unless stated otherwise)		
Trade investments in equity shares (unquoted)		
<b>Subsidiary</b>		
Sibiling Lifecare Private Limited	100,000	99,990
10,000 (previous year 9,999) Equity shares of ₹ 10 each fully paid up		
<b>Associates</b>		
HCG Regency Oncology Healthcare Private Limited	-	134,951,754
Nil (previous year 11,986,523) Equity shares of ₹ 10 each fully paid up		
Regency Nephrocare Private Limited		
1,421,000 (previous year 1,421,000) Equity shares of ₹ 10 each fully paid up	14,210,000	14,210,000
	<b>14,310,000</b>	<b>149,261,744</b>
Aggregate amount of unquoted investments	14,310,000	149,261,744

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.

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

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
Capital advances	44,395,547	7,799,610	26,983,919	-
Security deposits	44,493,767	-	35,291,478	-
Advance to employees	-	1,689,029	-	1,929,220
Advance tax [Net of provision for income tax]	76,203,905	-	46,581,390	-
Advance to vendors	298,763	8,539,934	-	2,371,605
Minimum alternate tax credit receivable [refer note (a) below]	21,835,044	-	11,591,504	-
	<b>187,227,026</b>	<b>18,110,808</b>	<b>123,748,893</b>	<b>5,376,551</b>
<b>Minimum alternate tax credit entitlement</b>				
Balance at the beginnig of the year		11,591,504		19,683,442
Add: Minimum alternate tax credit entitlement created during the year		8,260,897		-
Add: Minimum alternate tax credit entitlement created for earlier years		1,982,643		-
Less: Minimum alternate tax credit entitlement utilised during the year		-		8,091,938
<b>Balance at the end of the year</b>		<b>21,835,044</b>		<b>11,591,504</b>

**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

2,025,000

2,025,000

345,543(Previous year 81,239) units of HDFC

MF Monthly Income Plan - LT - Growth

14,607,720

3,182,720

Nil (Previous year 224,090) Reliance Money manager fund- Growth

-
1,351,296 (Previos year 11,104,843) Reliance Regular				
savings fund debt option- Growth	30,421,332		250,000,000	
	**47,054,052**		**755,207,720**	
Aggregate amount of Market value of quoted investments	49,867,855		759,621,980	

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

	As at 31 March 2018	As at 31 March, 2017
<b>18 Inventories</b> (valued at lower of cost or net realisable value)		
Pharmacy	39,079,614	21,406,037
Surgical, pathological and kitchen items	35,346,830	28,623,412
Other miscellaneous consumable items	2,563,460	2,225,396
	<b><u>76,989,904</u></b>	<b><u>52,254,845</u></b>
<b>19 Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	194,851,584	158,188,473
Unsecured, Considered doubtful	19,629,801	16,593,736
	<u>214,481,385</u>	<u>174,782,209</u>
Less: Allowances for bad and doubtful debts	19,629,801	16,593,736
	<u>194,851,584</u>	<u>158,188,473</u>
Other debts		
Unsecured, considered good	97,832,928	164,343,080
Unsecured, Considered doubtful	7,768,166	7,228,207
	<u>105,601,094</u>	<u>171,571,287</u>
Less : Allowances for bad and doubtful debts	7,768,166	7,228,207
	<u>97,832,928</u>	<u>164,343,080</u>
	<b><u>292,684,512</u></b>	<b><u>322,531,553</u></b>
<b>20 Cash and bank balances</b>		
Cash and cash equivalents		
Cash on hand	3,468,333	2,469,982
Balances with banks in current accounts	30,170,759	26,762,785
Other bank balances		
Deposits with maturity more than three months but less than twelve months [refer note (i) below]	177,720,606	7,967,076
	<b><u>211,359,698</u></b>	<b><u>37,199,843</u></b>

**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

	As at 31 March 2018		As at 31 March 2017	
	Long-term	Short-term	Long-term	Short-term
<b>21 Other current assets</b>				
Prepaid expenses	-	7,129,983	-	4,445,167
Unbilled revenue	-	8,443,984	-	8,210,027
Interest accrued and not due on deposits with banks	-	6,406,006	-	344,941
Deferred lease rent recoverable	3,326,723	-	2,897,321	-
Other receivables	-	16,668	-	500,000
	<b><u>3,326,723</u></b>	<b><u>21,996,641</u></b>	<b><u>2,897,321</u></b>	<b><u>13,500,135</u></b>
	For the Year ended 31 March 2018		For the year ended 31st March 2017	
<b>22. Revenue from operations</b>				
<b>Revenue from</b>				
Healthcare services		1,641,844,057		1,405,919,581
Pharmacy and surgical sales		115,850,438		67,356,074
Nursing school		11,321,850		13,584,366
		<b><u>1,769,016,345</u></b>		<b><u>1,486,860,021</u></b>
<b>23. Other income</b>				
Interest income from banks		7,057,029		412,520
Interest income from others		851,326		1,047,964
Profit on sale of mutual funds		29,570,682		-
Provisions no longer required written back		5,631,898		-
Other operating income				

- Income from leasing	6,022,756	5,960,918
- Income from manpower services	41,400	2,265,040
- Sale of food items	1,310,873	1,271,467
- Credit balances written back	-	542,191
- Miscellaneous income	3,652,949	5,322,605
	<b>54,138,913</b>	<b>16,822,705</b>
<b>24. Consumption of pharmacy, surgical and kitchen items</b>		
Opening stock	50,029,449	46,762,959
Add : Purchases during the year	414,882,310	352,411,009
	464,911,759	399,173,968
Less : Closing stock	74,426,443	50,029,449
	<b>390,485,316</b>	<b>349,144,519</b>
<b>25. Employee benefits expense</b>		
Salaries, wages and bonus	333,756,740	287,045,417
Staff welfare expenses	8,262,112	10,541,160
Gratuity expense (refer note 33)	157,180	2,437,119
Contribution to provident and other defined contribution funds	8,864,230	4,627,017
	<b>351,040,262</b>	<b>304,650,713</b>
<b>26. Finance costs</b>		
Interest expense		
- Term loans	93,828,356	64,519,751
- Vehicle loans	1,382,852	1,286,784
- Working capital facilities	10,990,282	9,980,741
- Others	292,525	457,655
Other borrowing cost	4,316,440	7,402,888
	<b>110,810,455</b>	<b>83,647,819</b>
<b>27. Depreciation and amortisation expense</b>		
Depreciation and amortisation expense (refer note 14)	100,131,620	56,001,284
	<b>100,131,620</b>	<b>56,001,284</b>
	<b>For the Year ended 31 March 2018</b>	<b>For the year ended 31st March 2017</b>
<b>28 Other expenses</b>		
Doctor and other professional fees	504,232,940	412,148,902
Power and fuel	76,750,977	53,971,351
Rent (refer note 37)	52,388,055	30,399,316
Repairs and maintenance		
- Buildings	5,251,464	4,872,395
- Plant and machinery	26,429,191	18,855,329
- Vehicles	3,645,041	3,526,204
Office maintenance and others	10,510,938	7,148,743
Insurance	3,570,883	2,419,530
Rates and taxes	2,971,304	3,251,807
Advertisement expenses	13,607,428	4,761,276
Printing and stationary	8,068,834	6,614,597
Corporate social responsibility expenses (refer note 39)	900,000	1,046,000
Donations	-	60,000
Legal and professional expenses	11,734,981	5,611,870
Remuneration to auditors (refer note 34)	2,940,964	1,638,411
Security expenses	11,687,687	7,120,966
House keeping expenses	47,502,136	31,412,012
Telephone expense	1,900,622	1,753,008
Travelling expense	6,792,002	6,190,220
Bad debts	36,313,403	29,767,713
Provision for doubtful debts	3,576,024	7,445,295
Bank charges	1,236,251	-
Loss on disposal of fixed assets (net)	802,170	9,580
Expenses incurred on capital raising	1,500,000	28,660,476
Miscellaneous expenses	6,273,560	4,645,976
	<b>840,586,854</b>	<b>673,330,978</b>

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

Expense not recognised in earlier periods	24,801	-
Depreciation reversal (refer note 14)	(4,864,764)	-
	<b>(4,839,963)</b>	<b>-</b>

**30 Earning per share**

Net profit/(loss) for the year	23,470,388	22,511,717
Number of shares outstanding as at year end	13,448,065	13,448,065
Weighted average number of shares outstanding	13,448,065	9,717,190
Basic and diluted earnings per share	1.75	2.32
Nominal value of shares	10.00	10.00

**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
<b>Lease rent income</b>		
Regency Nephrocare Private Limited		
- from medical equipment	1,773,467	1,622,784
- from building	4,272,087	3,988,542
Sibling Lifecare Private Limited		
- from building	70,350	68,975
Amrita Charitable trust		
- from building	186,001	204,000
<b>Maintenance service for building</b>		
- Regency Nephrocare Private Limited	211,192	270,180
<b>Investment in equity shares (including securities premium)</b>		
- HCG Regency Oncology Healthcare Private Limited	-	52,446,273
<b>Fee for medical services received</b>		
Regency Nephrocare Private Limited	61,864,735	50,369,488
- Dr. Rashmi Kapoor	10,089,809	9,287,283
<b>Investigation and medical tests performed for</b>		
HCG Regency Oncology Healthcare Private Limited	-	177,110

**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
<b>Remuneration</b>		
- Mr. Anant Ram Kapoor	180,000	180,000
- Dr. Atul Kapoor	10,967,515	7,258,570
- Dr. Rashmi Kapoor	8,545,161	6,721,136
- Mr. Arun Kapoor	1,575,000	1,500,000
- Mr. Abhishek Kapoor	4,500,000	3,000,000
- Mrs. Janhvi Kapoor	481,694	420,000
<b>Share in investigation charges</b>		
- Dr. Rashmi Kapoor	3,340,492	3,629,808
- Dr. Atul Kapoor	-	316,978
<b>Lease rent expense</b>		
- Anant Ram Kapoor	7,389,000	6,900,000
- Dr. Atul Kapoor	990,000	990,000
- Dr. Rashmi Kapoor	3,900,000	3,900,000
<b>Payments made on behalf of</b>		
- Regency Nephrocare Private Limited	1,295,715	1,422,815
- Mr. Anant Ram Kapoor	-	462,170
- Sibling Lifecare Private Limited	1,023,932	378,700
<b>Purchase of surgical items</b>		
- Matrix Merchandise Private limited	-	124,950
<b>Corporate social responsibility expenses</b>		
- Amrita Charitable Trust	900,000	1,046,000
<b>Sale of pharmacy and surgical items</b>		
- HCG Regency Oncology Healthcare Private Limited	-	11,494,533
<b>Sale of Fixed assets</b>		
- Matrix Plast Private Limited	-	14,175,000
<b>Revenue claimed on behalf of</b>		
- HCG Regency Oncology Healthcare Private Limited	-	17,740,579
<b>c) Details of outstanding balances of the related parties in ordinary course of business are as follows:-</b>		
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Advance given</b>		
- Sibling Lifecare Private Limited	-	143,940
<b>Payable for medical services received</b>		
- Dr. Rashmi Kapoor	1,026,185	969,361
- Regency Nephrocare Private Limited	25,565,939	19,812,608
<b>Rent receivable</b>		
- Regency Nephrocare Private Limited	3,113,642	3,452,742
- Sibling Lifecare Private Limited	185,050	114,700
<b>Receivable for expenses incurred on behalf of</b>		
- Regency Nephrocare Private Limited	3,644,790	437,966
- Sibling Lifecare Private Limited	1,502,914	-
<b>Receivable for TDS paid on behalf of</b>		
- Sibling Lifecare Private Limited	-	378,700

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

*(All amounts are in rupees, unless otherwise stated)*

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

- Sibling Lifecare Private Limited	9,694,283	17,929,283
- HCG Regency Oncolgy Healthcare Private limited	-	11,494,533

**Security deposit receivable**

- Dr. Rashmi Kapoor	5,825,000	5,828,290
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**Advance given**

- Mrs. Janhvi Kapoor	54,880	117,500
- Dr. Rashmi Kapoor	1,162	359,135

**Investments in equity shares**

- Regency Nephrocare Private limited	14,210,000	14,210,000
- HCG Regency Oncolgy Healthcare Private limited	-	134,951,754
- Sibling Lifecare Private Limited	100,000	99,990

**Payable for revenue claimed on behalf of**

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

Personal guarantee given by Dr. Atul Kapoor and Dr. Rashmi Kapoor for loans the outstanding balance of which is **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 Oncolgy 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

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

(All amounts are in rupees, unless otherwise stated)

**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
<b>Change in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	21,124,455	18,687,336
Current service cost	5,148,678	3,423,441
Interest cost	1,509,328	1,445,409
Plan amendment costs/(credit)	(1,602,893)	-
Actuarial loss	(10,529,831)	(2,118,816)
Benefit payments	-	(312,915)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>15,649,737</b>	<b>21,124,455</b>
 Assets and liabilities recognised in the balance sheet		
Present value of defined benefit obligation	15,649,737	21,124,455
Less: Fair value of plan assets	2,147,472	-
<b>Liability recognised in the balance sheet</b>	<b>13,502,265</b>	<b>21,124,455</b>
Recognised under:		
- Long-term provision	13,501,265	17,014,419
- Short-term provision	1,000	3,797,121
	<b>13,502,265</b>	<b>20,811,540</b>
 <b>Expense recognised in the statement of profit and loss</b>		
Current service cost	5,148,678	3,423,441
Interest cost	1,509,328	1,445,409
Past service cost	(1,602,893)	-
Actuarial loss/ (Gains)	(10,529,831)	(2,118,816)
<b>Total expense</b>	<b>(5,474,718)</b>	<b>2,750,034</b>
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%	0.02

	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	13,502,265	21,124,455	18,687,336	6,062,000	5,331,000
Experience adjustment on plan liabilities	(10,529,831)	(2,118,816)	422,336	805,586	179,988

**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.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**
*(All amounts are in rupees, unless otherwise stated)*
**Expenditure recognised in respect of defined contribution plan is as under:**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee provident fund paid to the authorities	4,016,992	2,553,722
Employee state insurance paid to the authorities	4,847,238	2,073,295
<b>34 Remuneration to auditors</b>		
Payment to auditor:*		
- Statutory audit	2,065,000	1,610,000
- Others	848,500	-
- Out of pocket expenses	27,464	28,411
	<b>2,940,964</b>	<b>1,638,411</b>

\* 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)	49,651,830	40,598,379
Disputed demand of customs department (refer note (b) below)	1,923,000	1,923,000
Bank guarantee furnished to Director, CGHS and ECHS	2,900,000	3,700,000
Corporate guarantee (refer note (c) below)	-	453,000,000
Bonus [refer note (d) below]	3,502,616	3,502,616
Income taxes (AY 2013-14, 2014-15 and 2016-17)	359,917	2,028,125
Foreign letter of credit (USD 23,47,400)	152,172,130	-
Inland letter of credit	3,000,000	-
Foreign buyer's credit	3,745,028	-

**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 yeat 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.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**
*(All amounts are in rupees, unless otherwise stated)*
**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-cancellable 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	58,823,932	74,783,189
Later than one year but not later than five years	414,058,652	406,090,901
Later than five years	390,643,449	354,698,721
The minimum lease receipts for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	3,825,138	3,554,140
Later than one year but not later than five years	17,311,152	18,659,236
Later than five years	12,633,516	13,608,251

**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	390,485,316	100%	349,144,519	100%
Imported	-	-	-	-
<b>Total</b>	<b>390,485,316</b>	<b>100%</b>	<b>349,144,519</b>	<b>100%</b>

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

	USD	INR	USD	INR
Interest expense	2,748	180,111	8,605	648,190
<b>Professional fees</b>	<b>2,787</b>	<b>211,812</b>	<b>1,247</b>	<b>80,828</b>
<b>Import of Capital Goods</b>	<b>94,900</b>	<b>6,112,561</b>	<b>-</b>	<b>-</b>

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

	USD	INR	USD	INR
Payable in foreign currency	2,722,046	176,444,399	55,165	3,576,822

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

- 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 2017	For the year ended 31 March 2016
	900,000	1,046,000
Education		

- 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	412,089,463
Less : Accumulated depreciation of the transferor company as at 31 March 2017	5,889,801
Net block of the transferor company as at 31 March 2017	406,199,662
Capital work in progress of the transferor company as at 31 March 2017	392,405,281
Other Non Current assets of the transferor company as at 31 March 2017	26,258,774
Current assets of the transferor company as at 31 March 2017	17,337,935
Total assets of the transferor company as at 31 March 2017 (A)	842,201,653
Non Current liabilities of the transferor company as at 31 March 2017	515,381,029
Current liabilities of the transferor company as at 31 March 2017	63,400,882
Total liabilities of the transferor company as at 31 March 2017 (B)	578,781,911
Net assets taken over as on 1 April 2017 (C=A-B)	263,419,742
Less: Investment in the books of Transfree company as at 31 March 2017 (D)	(134,951,754)
 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)	 57,914,120
 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)	 11,343,926
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)	(246,625,500)
<b>Net amalgamation adjustment (H= C-D-E-F-G)</b>	<b>(48,899,466)</b>
 <b>The above adjustment has been disclosed as follows in the financial statements, in line with the order of the Regional Director:</b>	
 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)	 (3,731,951)
Balance adjustment disclosed as adjustment to securities premium reserve (J=H-I)	(45,167,515)

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

*(All amounts are in rupees, unless otherwise stated)*

- 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 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**

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

**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

.....  
Signature of Shareholder

.....  
Signature of first proxy holder

.....  
Signature of second proxy holder

.....  
Signature of third proxy holder

**Notes:**

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

**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

**ATTENDANCE SLIP**

**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

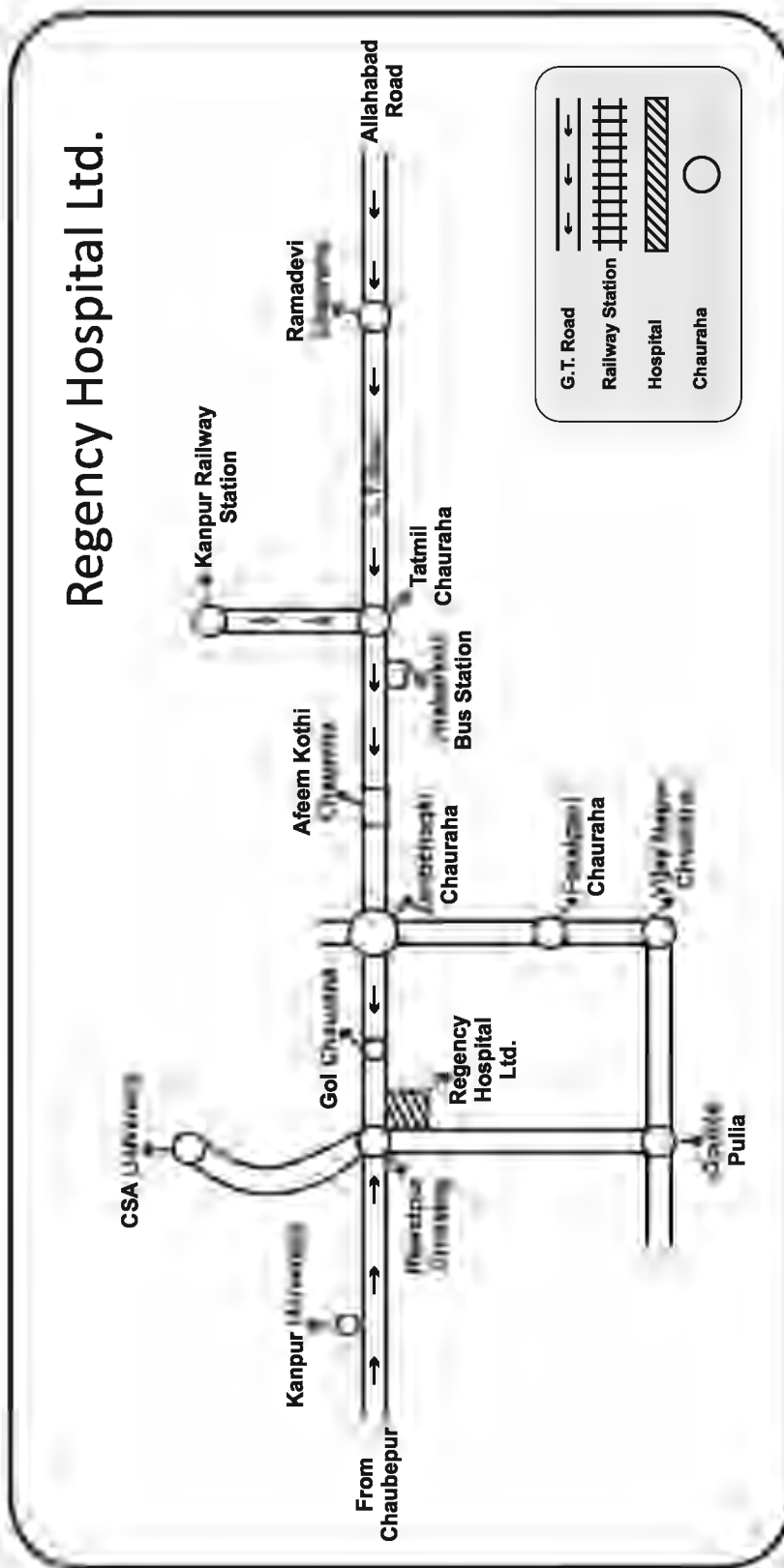
**E-VOTING PARTICULARS**

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 INSTITUTE**

OF

## **NURSING SCIENCES**

**(Coming Soon)**



**1/PS , Ambedkar Puram-3, Kalyanpur,  
Kanpur - 208017 (U.P.)**



**REGENCY HOSPITAL - SARVODAYA NAGAR**

A-2, Sarvodaya Nagar, Kanpur  
T | 0512-3081111

**REGENCY RENAL SCIENCES CENTRE**

113/104, Swaroop Nagar Opp. Motijheel, Kanpur  
T | 0512-3081616

**REGENCY CITY CLINIC**

14/122, Ratan Unique, Opp.PPN Market, Kanpur  
T | 0512-3081818

**REGENCY GASTRO & ONCO CENTRE**

A-4, Sarvodaya Nagar, Kanpur  
T | 0512-3362525

**REGENCY HOSPITAL - GOVIND NAGAR**

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

**REGENCY INSTITUTE OF NURSING SCIENCES (COMING SOON)**

1/PS , Ambedkar Puram-3, Kalyanpur, Kanpur - 208017

**REGENCY HOSPITAL - LUCKNOW (COMING SOON)**

Plot No. 3,5 & 6, Khurram Nagar, Ring Road Lucknow

[www.regencyhealthcare.in](http://www.regencyhealthcare.in)