



**REGENCY HOSPITAL LTD.**  
**31st ANNUAL REPORT**  
**2019 - 2020**

## **TABLE OF CONTENTS**

Corporate Information	01
Performance Highlights	02 - 05
<b>Statutory Information</b>	
Board Reports along with Annexures	06 - 23
<b>Consolidated Financial Statements</b>	
Auditors' Report	24 - 28
Consolidated Balance Sheet	29
Consolidated Statement of Profit and Loss	30
Consolidated Cash Flow Statement	31 - 32
Notes forming part of the Consolidated Financial Statements	33 - 60
<b>Standalone Financial Statements</b>	
Auditors' Report	61 - 66
Balance Sheet	67
Statement of Profit and Loss	68
Cash Flow Statement	69 - 70
Notes forming part of the Financial Statements	71 - 95
Form AOC-1	96 - 97
Notice	98 - 108
Route Map	109

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Dr. Atul Kapoor  
*(Chairman and Managing Director)*  
Dr. Rashmi Kapoor  
*(Whole-Time Director)*  
Mr. Rabindra Nath Mohanty  
*(Independent Director)*  
Mr. Anil Kumar Khemka  
*(Independent Director)*  
Mr. Arun Shrivastava  
*(Additional Director- Independent)*  
Mr. Charles Antoine Janssen  
*(Nominee Director)*  
Ms. Tanushree Shyam Bagrodia  
*(Nominee Director)*

### **COMMITTEES OF BOARD**

#### **AUDIT COMMITTEE**

Mr. Rabindra Nath Mohanty  
*(Chairman)*  
Mr. Anil Kumar Khemka  
*(Member)*  
Dr. Atul Kapoor  
*(Member)*

#### **STAKEHOLDERS**

#### **RELATIONSHIP COMMITTEE**

Mr. Anil Kumar Khemka  
*(Chairman)*  
Dr. Atul Kapoor  
*(Member)*  
Dr. Rashmi Kapoor  
*(Member)*

#### **NOMINATION AND**

#### **REMUNERATION COMMITTEE**

Mr. Anil Kumar Khemka  
*(Chairman)*  
Mr. Rabindra Nath Mohanty  
*(Member)*  
Ms. Tanushree Shyam Bagrodia  
*(Member)*

#### **CORPORATE SOCIAL**

#### **RESPONSIBILITY COMMITTEE**

Mr. Anil Kumar Khemka  
*(Chairman)*  
Dr. Atul Kapoor  
*(Member)*  
Dr. Rashmi Kapoor  
*(Member)*

### **CHIEF FINANCIAL OFFICER**

Mr. Deepak Gupta

### **COMPANY SECRETARY**

Ms. Ankita Gupta

### **BANKERS**

HDFC Bank Limited  
IndusInd Bank Limited

### **AUDITORS**

#### **Statutory Auditors**

Walker Chandiok & Co LLP,  
Chartered Accountants

#### **Internal Auditors**

VSH & Associates, Chartered Accountants

#### **Secretarial Auditors**

SKS & Co., Company Secretaries

#### **Cost Auditors**

Mr. Rishi Mohan Bansal

### **REGISTERED OFFICE**

A-2, Sarvodaya Nagar, Kanpur 208005,  
Uttar Pradesh  
E-mail: investor@regencyhealthcare  
Website- www.regencyhealthcare.in  
Ph. : 0512- 3501111 Fax: 0512-2213407

### **CORPORATE OFFICE**

B-5, Sarvodaya Nagar, Kanpur 208005,  
Uttar Pradesh

### **REGISTRAR AND SHARE**

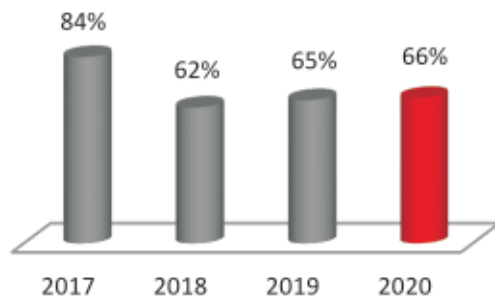
### **TRANSFER AGENT**

Skyline Financial Services Pvt. Ltd.  
D-153/A, 1st Floor, Okhla Industrial Area,  
Phase-1, New Delhi-110020  
Ph.:011-40450193/96  
E-mail:admin@skylinerta.com  
Website: www.skylinerta.com

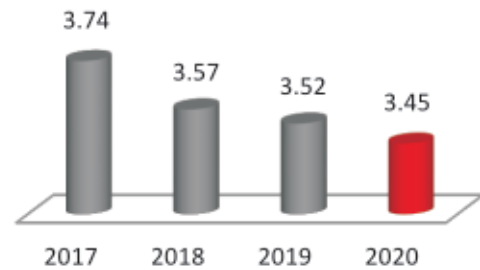
## Key Operational And Financial Performance Indicators (consolidated) Progressing With **Optimism**

### Operational Metrics

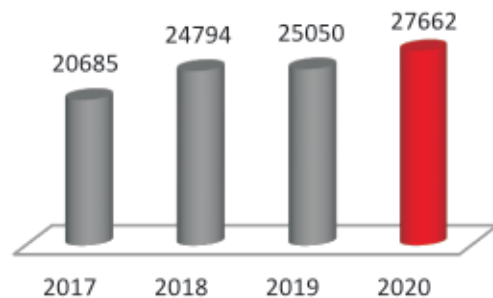
#### Average Occupancy Rate(AOR)



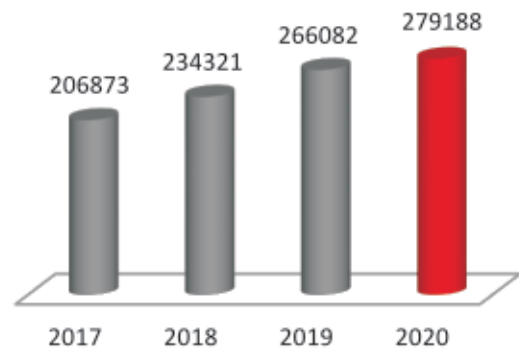
#### Average Length of Stay (ALOS In Days)



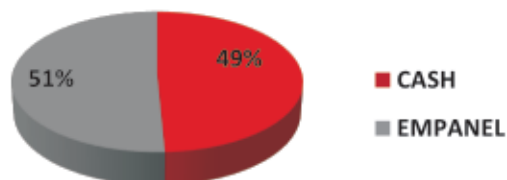
#### Average Revenue Per Occupied Bed (ARPOB in Rs.)



#### Patients Treated (in Nos.)



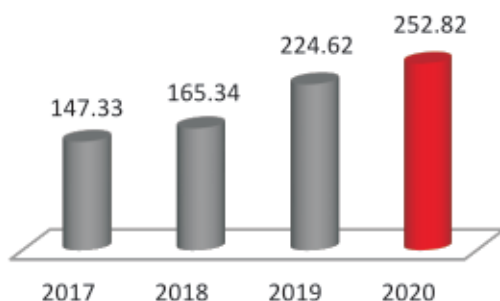
#### Indoor Patients (Mix)



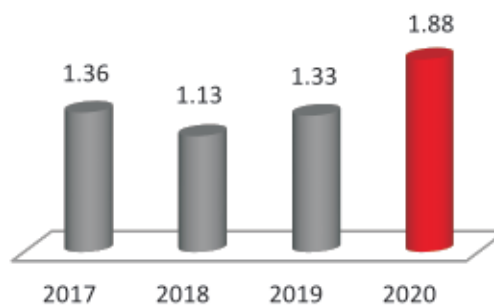


## Financial Metrics (Rs. in Cr)

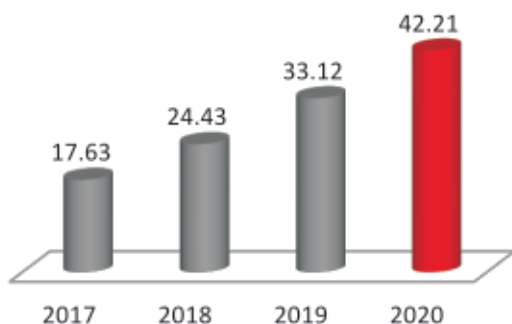
### Healthcare Vertical



### Education Vertical



### EBDITA



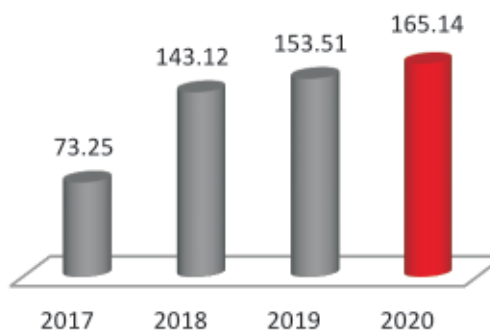
### PBT



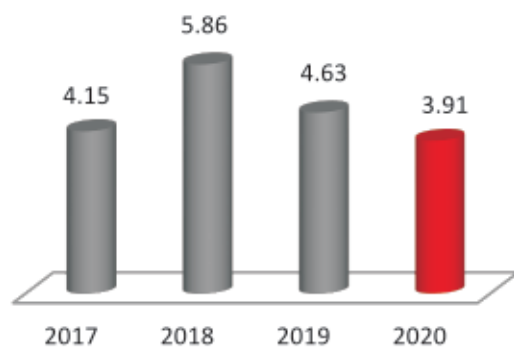
### PAT



### DEBT



**Debt /EBDITA**



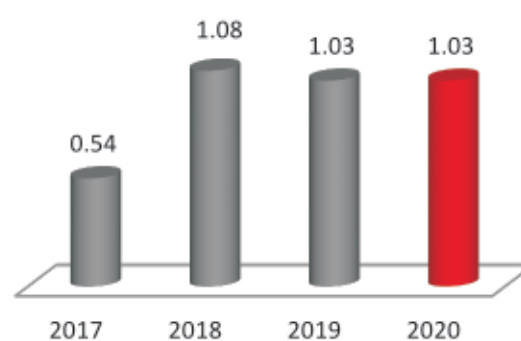
**DSCR**



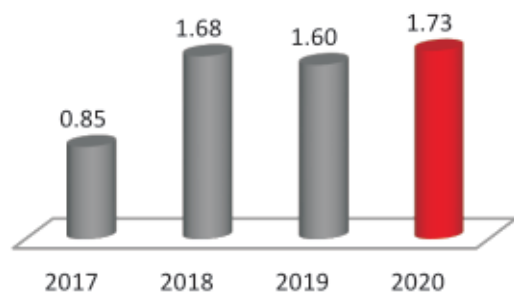
**Interest Coverage**



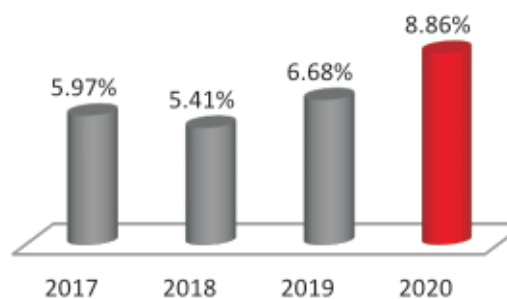
**D/E Ratio**



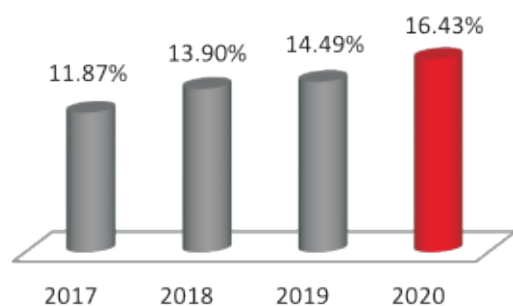
**TOL/TNW**



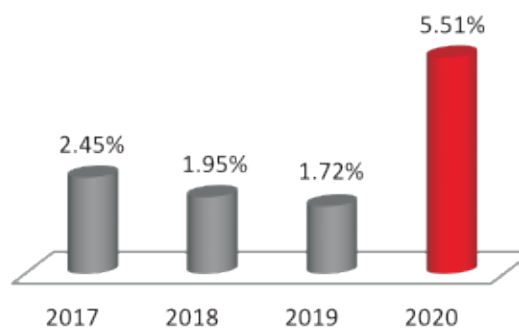
**ROCE**



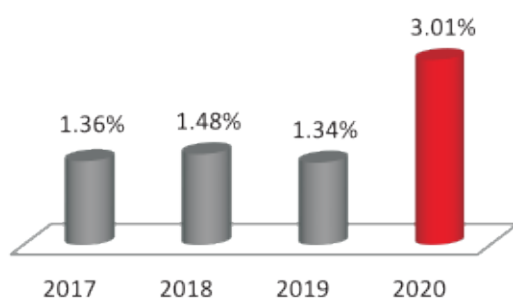
**EBDITA( % of Revenue)**



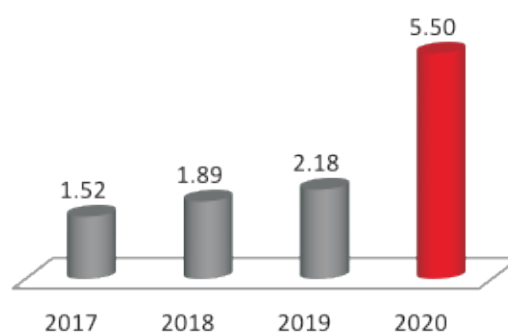
**PBT( % of Revenue)**



**PAT( % of Revenue)**



**EPS ( In Rs.)**



**BOARDS' REPORT**

Dear Members,

The Board of Directors hereby submits the report on business and operations of your Company ("The Company" or "Regency") along with Audited Standalone and Consolidated Financial Statements and Auditors Report thereon for the Year ended 31 March, 2020.

**1. Financial Summary & Performance**

*(Amount in Cr unless otherwise stated)*

Particulars	Consolidated		Standalone	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Total Revenue</b>	<b>256.90</b>	<b>228.54</b>	<b>256.09</b>	<b>228.53</b>
Profit/(Loss) before Interest, Depreciation, exceptional, extra ordinary items and Taxation	42.21	33.11	41.99	33.25
Less : Depreciation and amortisation expenses	13.58	13.00	13.58	13.00
Less: Finance Costs	14.47	14.20	14.47	14.20
<b>Profit before tax and exceptional items</b>	<b>14.15</b>	<b>5.91</b>	<b>13.94</b>	<b>6.04</b>
Less : Exceptional Items	-	1.99	-	1.99
<b>Profit Before Tax</b>	<b>14.15</b>	<b>3.91</b>	<b>13.94</b>	<b>4.05</b>
Tax Expense				
Less: Current Tax	0.08	0.92	-	0.92
Less: Current Tax relating to Earlier Year	0.25	0.04	0.25	0.04
Less : Deferred Tax	3.11	1.09	3.11	1.16
Minimum Alternate Tax (MAT) Credit Entitlement	-	0.92	-	0.92
Minimum Alternate Tax (MAT) recoverable written off	3.10	-	3.10	-
Profit after Tax before minority interest/ share of Profit in associates	7.59	2.78	-	-
Add: Share in profit of Associate	0.05	0.28	-	-
<b>Profit for the Year</b>	<b>7.73</b>	<b>3.06</b>	<b>7.46</b>	<b>2.83</b>

**2. Brief Description of Company's Working/ State of Company's Affairs**

During the year under review, the Company has dealt in two segments namely Patient Healthcare and Healthcare Education. The total revenue from operations have increased from Rs. 225.95 Cr to Rs. 254.70 Cr thereby recording the growth of Rs. 28.75 Cr i.e. 13% on year to year basis. Out of above, operational receipts from Healthcare vertical have increased from Rs. 224.62 Cr to Rs. 252.82 Cr as compared to same period in previous year thereby recording a growth of Rs. 28.21 Cr i.e. 13%. Revenue from Education vertical has increased from Rs.1.33 Cr to Rs. 1.87 Cr recording a growth of 41%. During the year the patient mix in terms of OPD and IPD was 2,52,706 and 26,482 respectively as compare to 2,40,640 & 25,202 in the Financial Year 2018-19.

**Standalone Level:**

The Profit before Depreciation Interest and Tax (PBDIT) has also increased from Rs. 33.25 Cr to Rs. 42 Cr as compared to same period in previous year registering a growth of Rs. 8.75 Cr. This increase in PBDIT is mainly due to cost cutting measures adopted by Company. The Company has also adopted new Income Tax regime declared by Finance Minister on 13 September 2019 and sacrificed accumulated MAT credit of Rs. 3.10 Cr during the year under review. This new Income Tax regime was adopted by Company mainly due to present accumulated losses and future expansion plans. Profit the year has also increased from Rs. 2.84 Cr to Rs. 7.46 Cr registering a growth of Rs. 4.63 Cr.



The Debt level of the Company as on 31 March 2020 was Rs.165.14 Cr which has increased from Rs.153.51 Cr as on 31 March 2019, Increase in debt level is mainly due to disbursement of term loan of Lucknow hospital and nursing college. During the year under review, Company has repaid its borrowings Rs.12.72 Cr of HDFC Bank. The free cash and bank balance of the Company stood at Rs. 25.19 Cr as on 31 March 2020.

#### **Consolidate Level:**

The Revenue from Operations stood at Rs. 254.67 Cr as compared to Rs. 225.95 Cr in previous year registering a growth of Rs. 28.75 Cr whereas Profit before Depreciation Interest and Tax (PBDIT) has also increased from Rs. 33.12 Cr to Rs. 42.21 Cr as compared to same period in previous year registering a growth of Rs. 9.09 Cr. The Profit for the Year has also increased from Rs. 3.06 Cr to Rs. 7.73 Cr registering a growth of Rs. 4.67 Cr.

Owing to its commitment towards continuous advancement in Information technology, one of the significant and important development in the year was up gradation to SAP HANA which has been proficiently implemented by team and has enhanced Company journey towards complete digitalization as a way forward.

In the year under review, the Company has further digitized and technologically integrated its healthcare platform by implementing and adopting Hospital Information System (HIS) which shall re-affirm patient trust through transparent pricing, improved operational efficiencies, information integrity initiatives across different functions and enhance manpower productivity thereby leading in efficient and accurate administration of Company.

### **3. Capacity Expansion and Modernization of Facilities**

During the year the prime focus of our capital expenditure has been on capacity expansion and modernisation of existing facility wherein your Company is constantly expanding the boundaries of its existing facilities. Accordingly, Regency Institute of Nursing (RIN) was set up as wholly owned subsidiary of the Company and became operational with effect from 25 October 2019 to overcome the inevitable demand of highly trained and qualified nurses in the state of Uttar Pradesh and across Country.

Further, Company had purchased a land opposite to its main Hospital situated in Sarvodaya Nagar, Kanpur for diversifying and expanding its business by developing new block which will approximately house 275 beds and will have all IPD's, OT's, ICU's, diagnostics, and rooms.

The 150 bedded Renal and Gastro Hospital which was under construction at Khurram Nagar, Lucknow has commenced its OPD services with effect from 1 April 2020 and complete Indoor and Outdoor services are in operation since 1 July 2020 with the aim of providing world-class healthcare facilities, through high end diagnostic medical equipment and specialty care.

Keeping in view, the growth opportunities and expansion possibilities, the Company has evaluated the proposal regarding expansion of its healthcare facilities in the city of

Jhansi, Uttar Pradesh by acquiring Ramraja Multispeciality Hospital and Trauma Centre Pvt.Ltd. and the endeavor shall be on providing world-class healthcare services through its hospital across all the specialties and cater to varied healthcare needs with affordable treatment plans.

The Company incurred capital expenditure of Rs. 41.25 Cr which is funded by banks/internal accruals of the company mainly for setting up of Lucknow hospital and Nursing College.

### **4. Emergence and Impact of Covid-19**

Coming down to the last quarter of the Financial Year 2019-20, the outbreak of Covid-19 from China was declared as pandemic by World Health Organisation (WHO) and the challenges posed by it has sent shockwaves to the health system, societies, and economies around the world. The impact of the pandemic is clearly visible in financial markets. However, there is still no clarity on the deeper impact that it is having across various sectors.

No doubt, the Healthcare sector is at the epicentre of this unprecedented global pandemic challenge and the pandemic is likely to cost huge to the Healthcare sector. Though private hospitals are extending full support to the government in terms of equipment, isolation wards, and workforce, the health industry is bound to face challenges. The pandemic has decreased the surgeries and OPD footfall. It is expected to impact the cash flows of hospitals as 80% of the costs are fixed in nature.

Unlike other sectors, the Healthcare sector is facing a twin-burden: (a) Investing additional manpower, equipment, consumables, and other resources to ensure 100 percent preparedness for safety in the hospital(s) and eventual treatment of patients, if needed. (b) Experiencing a sharp drop in OPD footfalls, elective surgeries of patients which is evident from quarterly surgical and OPD revenue of the Company.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation. It is focussed on controlling the fixed costs, maintaining liquidity and closely monitoring the all its facilities to ensure that the Centres operate smoothly.

The Ministry of Home Affairs, Government of India on 24 March 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19 pandemic. The South Hospital of Company situated at Govind Nagar, Kanpur was declared as COVID hospital in entirety for treatment of L2 and L3 category of Covid patients with effect from 27 July 2020.

The Company endeavours to operate its business in conformity with the highest ethical and moral standards and employee centricity. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of its employees at all its Centre locations, corporate office and continues to adopt more rigorous cleaning routines and implementing social distancing with in Centres with

cautious optimism. The Company observed all the government advisories and guidelines thoroughly and in good faith.

#### 5. **Transfer of Amount to Reserves**

A sum of Rs. 30 Cr has been proposed to be transferred to the General Reserve of the Company which is an appropriation out of profits of the Company.

#### 6. **Dividend**

The Board of Directors of your Company have not recommended any Dividend for the year under review and have decided to plough back the profits for growth and expansion of business.

#### 7. **Names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year**

During the year under review, Regency Institute of Nursing (RIN) was incorporated as 100% subsidiary of the Company with effect from 25 October 2019. The detailed information about the said subsidiary company is provided in below-mentioned Point No.8. Further, no Company became Joint Venture or an Associate of the Company during the year.

#### 8. **Performance of Associate & Subsidiary Companies and Consolidated Financial Statements**

As on 31 March 2020, your Company had two (2) Subsidiary Companies and one (1) Associate Company. The information with respect to above subsidiaries and associates, as required under sub rule (1) of rule 8 of Companies (Accounts) Rules, 2014 are as follows:-

- Sibling Lifecare Private Limited, a wholly owned subsidiary of the Company was incorporated in January 2014 with the main purpose to act 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. During financial year under review, its profit attributable to the Company was Rs.0.21 Cr.
- Regency Institute of Nursing (RIN), a wholly owned subsidiary of the Company was incorporated on 25 October 2019 under the provisions of Section 8 of the Companies Act, 2013 and is aimed at providing medical education in the field of nursing wherein the students can emerge as fully trained and confident nursing professionals. It is recognized by the Indian Nursing Council, New Delhi and approved by the U.P. State Medical Faculty, Lucknow.
- Regency Nephrocare Private Limited is an Associate Company and was incorporated in July 2013. Your Company holds 49% share in equity share capital of the of Regency Nephrocare and its primarily engaged in owning and running 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. Presently the company is operating three (3) kidney clinics at Kanpur and one (1) in Lucknow.

The Consolidated Financial Statements of the Company including all subsidiaries duly audited by the statutory auditors are presented in the Annual Report.

A Report on Performance and Financial Position of each of the Subsidiaries and Associates Companies included in the Consolidated Financial Statement is presented in a separate section in this Annual Report. Please refer Form No. AOC-1 annexed to the Financial Statements in the Annual Report.

In accordance with Section 136 of the Companies Act, 2013, the annual accounts of the Subsidiary and Associate Companies and the related detailed information shall be made available to Shareholders of the Company and its subsidiary companies upon request and it shall also be made available on the website of the Company i.e. <https://regencyhealthcare.in/investor-relations/>. The annual accounts of the Subsidiary and Associate Companies shall also be kept for inspection by any Shareholder in the head office of the Company till the date of the AGM during business hours.

#### 9. **Number of Meetings of the Board of Directors**

The meetings of the Board are scheduled at regular intervals to decide and discuss on the business performance and other matters of significance in addition to statutory matters. The schedule of the meetings is circulated in advance to ensure proper planning and effective participation in meetings. In certain exigencies, decisions of the Board are also accorded through circulation.

During the Financial Year 2019-20, the Board of Directors met five(5) times on 17 May 2019, 14 September 2019, 28 September 2019, 2 December 2019 and 27 February 2020. 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.

In terms of point no. 7 of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors was also held on 27 February 2020, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

**Attendance Record of Each Director at Board Meetings** The Attendance Record of Directors in Board Meeting for the Financial Year under review is tabulated below:



S. No.	Names of Directors	Board Meetings	
		Held	Attended
1	Dr. Atul Kapoor	5	5
2	Dr. Rashmi Kapoor	5	5
3	Mr. Anil Kumar Khemka	5	5
4	Mr. Rabindra Nath Mohanty	5	5
5	*Mr. Arun Shrivastava	5	1
6	Mr. Charles Antoine Emmanuel T. Johnson	5	5
7	Ms. Tanushree Shyam Bagrodia	5	4
8	**Mr. Rajeev Kumar Bakshi	5	3

\*Mr. Arun Shrivastava was appointed as an Additional Director w.e.f. 2 December 2019 in the Board Meeting held on that day.

\*\*With effect from 29 September 2019, Mr. Rajiv Kumar Bakshi ceased to be Independent Director due to completion of his tenure

## 10. Audit Committee & Composition

As at 31 March 2020 the Audit Committee of Board comprised of three (3) Members including Chairman viz. Mr. Rabindra Nath Mohanty, Mr. Anil Kumar Khemka and Dr. Atul Kapoor. During the year five (5) meetings of the Committee were held on 17 May 2019, 14 September 2019, 2 December 2019 and 27 February 2020. The attendance of the Committee Members as on the above said meetings was as follows:

S. No.	Name & Designation	Category of Directorship	No. of meetings	
			Held	Attended
1	*Mr. Rabindra Nath Mohanty	Chairman Independent Director	4	4
2	Dr. Atul Kapoor	Member Managing Director	4	4
3	*Mr. Anil Kumar Khemka	Member Independent Director	4	4
4	**Mr. Rajiv Kumar Bakshi	Member Independent Director	4	2

\*With effect from 2 December 2019, (Board Meeting date) Mr. Anil Kumar Khemka stepped down from the position of Chairman of the Audit Committee & Mr. Rabindra Nath Mohanty was nominated as Chairman of the Audit Committee

\*\*With effect from 29 September 2019, Mr. Rajiv Kumar Bakshi ceased to be Independent Director due to completion of his tenure and accordingly ceased to be Member of Audit Committee.

All the recommendations of Audit Committee made to the Board of Directors were duly accepted by it. The Company Secretary acts as the Secretary to the Audit Committee. The Committee performs the functions as enumerated in Section 177 of the Companies Act, 2013.

## 11. Director and Key Managerial Personnel

### Appointments

The Board upon recommendation of Nomination and Remuneration Committee, in its meeting held on 2 December 2019 had appointed Mr. Arun Shrivastava (DIN: 06640892) as an Additional Director in the capacity of Independent Director of the Company upto the date of AGM and thereafter for a period of three (3) years after obtaining approval by Shareholders of the Company in ensuing AGM. Mr. Arun Shrivastava is a M.Sc., CAIIB, AIBM by qualification and possesses vast experience of 34 years in all key segments of banking and particularly

Corporate Credit. During span of his career he has been responsible for overseeing verticals of Finance, Strategy and planning, Large and mid-corporate, debt restructuring, publicity and public relations.

During the year under review, the Board of Directors on recommendation of Nomination and Remuneration Committee in its Meeting held on 27 February 2020 appointed Mr. Shyam Sultania as Company Secretary of the Company with effect from 20 February 2020 as Mr. Rishi Tandon, erstwhile Company Secretary ceased to be associated with the Company. Thereafter, Mr. Shyam Sultania ceased to be Company Secretary with effect from 17 August 2020, however continues to be associated with the Company. Accordingly, the Company on recommendation of Nomination and Remuneration Committee at its Board Meeting held at 17 August 2020 appointed Ms. Ankita Gupta as Company Secretary and Compliance Officer of the Company and she was also nominated as Key Managerial Person in terms of Section 203 of Companies Act, 2013.

### Re-Appointments

The Shareholders may note that Mr. Rabindra Nath Mohanty (DIN: 07895550) was appointed as an Independent Director for a first term of three (3) years with effect from 26 September 2017 (Date of AGM). The present term of Mr. Rabindra Nath Mohanty shall be expiring on 25 September 2020. Accordingly, the Board on recommendation of Nomination and Remuneration Committee has in its Meeting held on 17 August 2020, has approved re-appointment of Mr. Rabindra Nath Mohanty as an Independent Director for a further period of three(3) years with effect from 25 September 2020 and recommends the same for approval by Shareholders in forthcoming AGM. Mr. Rabindra Nath Mohanty is a Banker having rich experience of 33 years and has expertise in Framing Policy Guidelines on financing Priority Sector Credit including SME and Agriculture for the Bank, coordinating with Ministry of Finance (DFS)/ RBI/ NABARD/ SIDBI /KVIC /NRLM and other Nodal Agencies at country level etc.

Dr. Atul Kapoor and Dr. Rashmi Kapoor were appointed as Managing Director and Whole Time Director respectively of the Company for a period of three (3) years with effect from 1 April 2017 and the Shareholder approval for same were accorded at the meeting held on 24 March 2017. Their terms expired on 31 March 2020 and accordingly, the Board on recommendation of Nomination and Remuneration Committee approved re-appointment of Dr. Atul Kapoor and Dr. Rashmi Kapoor as Managing Director and Whole Time Director respectively in its Board Meeting held on 27 February 2020. However, partial modification in Board Resolution was made in the Board Meeting held on 3 June 2020 due to Company not being able to hold its Extra-Ordinary General Meeting (EGM) in the wake of worldwide Pandemic spread and consequent lockdowns for seeking Shareholder approval. Accordingly the same is being recommended for approval of Shareholders in the ensuing Annual General Meeting (AGM).

The brief profile of Dr. Atul Kapoor and Dr. Rashmi Kapoor are as follows:

Dr. Atul Kapoor is a qualified surgeon having done his masters in surgery from GSVM Medical College, Kanpur. Dr. Kapoor had an excellent academic career having held commendable positions in MBBS. He possesses rich and vast experience of over 32 years and has a deep insight into the problems relating to the management of hospitals. During initial setup of the hospital he travelled worldwide to incorporate all the international standards in the hospital.

Dr. Rashmi Kapoor is currently associated with Regency Hospital as a Director, Department of Pediatrics in Pediatric Critical Care and Pulmonology and has intensive experience of over 32 years in the profession. She has to her credit of being the first pediatrician to start Pediatric flexible bronchoscopy in 2007 in the state of Uttar Pradesh.

She is also heading DNB course in Pediatrics and fellowships in Pediatric Intensive care. She has a keen interest in pediatric chest radiology besides pediatric flexible bronchoscopy.

#### **Retirement by Rotation and Subsequent Re-Appointment**

In accordance with the Articles of Association of the Company and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Dr. Atul Kapoor, Managing Director (DIN: 01449229) is due to retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

The details of Directors being recommended for appointment and reappointment as required under Secretarial Standard-2 are contained in the accompanying Notice convening the AGM of the Company. Appropriate Resolution(s) seeking your approval to the appointment(s) and re-appointment(s) of Directors are also included in the Notice of AGM.

The Company has received declaration from the Independent Directors that they meet the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, they fulfil the condition for appointment/ re-appointment as Independent Directors on the Board.

#### **Cessations**

During the year under review, Mr. Rajiv Kumar Bakshi (DIN: 00264007), Independent Director on the Board of the Company, ceased to be Director of the Company with effect from 29 September 2019 due to completion of his two consecutive terms on the Board of the Company.

He has contributed immensely to the functioning of the Board and the management has also benefitted from his advice and directions. The Board places on record gratitude for his valuable advice and guidance during his tenure.

Mr. Rishi Tandon & Mr. Shyam Sultania who were acting as Company Secretary and Key Managerial Personnel of the

Company, also ceased to act as same with effect from 5 February 2020 and 17 August 2020 respectively.

#### **12. Statement Regarding Opinion of the Board With Regard To Integrity, Expertise And Experience (Including The Proficiency) Of The Independent Directors Appointed During The Year**

In respect of above said appointment(s) and re-appointment(s) of Independent Director, the Board is of the opinion the Independent Directors possess the attributes of integrity, expertise and experience as stipulated under Rule 8(5) (iii) of the Companies (Accounts) Rules, 2014.

#### **13. Policy on Appointment and Remuneration of Directors, Key Managerial Person and Senior Management**

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors had approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are Company Philosophy and Principles on Nomination and Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), and Senior Management Personnel.

The main features of the Policy are as follows -

1. Objective
2. Definitions
3. Role of Committee
4. Appointment criteria and qualifications
5. Term / Tenure
6. Evaluation
7. Removal & Retirement
8. Remuneration to Whole-time/ Executive/ Managing Director, KMP and Senior Management Personnel
9. Remuneration to Non- Executive / Independent Director
10. Frequency of Meetings
11. Committee Members Interest
12. Nomination and Remuneration Duties

The Company's Nomination and Remuneration Policy is enclosed to this Board Report as an **Annexure A**.

#### **14. Corporate Social Responsibility (CSR) Policy And Initiatives**

Your Company's has consistently contributed towards the welfare of the community owing to its CSR philosophy which emphasizes on to contribute something for the development of needy, poor and weaker section of society. The Company's CSR initiatives are implemented through its CSR arm i.e. Amrita Charitable Trust through a school for special children, which focuses on education, psychological evaluation and intervention, occupational therapy, physiotherapy and speech therapy.

Further, the Company has constituted a CSR Committee



of the Board in accordance with the provisions of the Companies Act, 2013 which monitors and oversees various CSR initiatives, activities and expenditure of the Company. The details of CSR Policy is available on the Company's website and the Annual Report on CSR activities is annexed as an **Annexure B** to this Report.

#### 15. Performance Evaluation of Board, Committee and Directors

One of the key responsibilities and role endowed on the Board is to monitor and review Board evaluation and framework.

Accordingly, in line with applicable provisions of the Companies Act, 2013 the evaluation of the Board as a whole, Committees and individual Directors including Chairman was conducted who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The evaluation tested key areas of the Board's work including strategy, business performance, risk and governance processes. The evaluation considers the balance of skills, experience, independence and knowledge of the management and the Board, its overall diversity, and analysis of the Board and its Directors' functioning.

#### 16. Statement on Declaration Given By Independent Directors

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### 17. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had 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 and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors, had laid down internal financial controls to be followed by the Company and that such internal

financial controls are adequate and were operating effectively; and

- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 18. Particulars of Contracts or Arrangements With Related Parties

For the Financial Year 2019-20, all the Related Party Transactions (RPT's) entered into by the Company were in ordinary course of business and at arms-length basis. All RPT's which are foreseen and repetitive in nature, are placed before the Audit Committee on yearly basis for obtaining prior omnibus approval of the Committee.

There were no materially significant RPT's entered into, by the Company with Promoters, Directors or Key Managerial Personnel, which may have a potential conflict of interest for the Company, at large. However, details of RPT's undertaken by the Company are disclosed in Form AOC-2 which is enclosed as an **Annexure C** to this Report.

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 thereunder. This Policy was considered and approved by the Board has been uploaded on the website of the Company at <http://regencyhealthcare.in/wp-content/uploads/Related-Party-Transactions-Policy.pdf>

#### 19. Risk Management Policy

Pursuant to section 134 of the Companies Act, 2013, your Company has developed and rolled out a comprehensive Enterprise Risk Management Policy. The policy aims at elimination or reduction of risk exposures, which may threaten the existence of the Company through identification and analysis of various types of risks and facilitating timely action for taking risk mitigation measures. The detailed Risk Management Policy of the Company is available at <http://regencyhealthcare.in/wp-content/uploads/Risk-Management-Policy.pdf>.

#### 20. Particulars Of Loans, Guarantees And Investments

The particulars of loans and investments as on 31 March 2020 are covered under the provisions of Section 186 of The Companies Act, 2013 is given in the Notes to Financial Statements of the Company. The Company has not given any guarantees during the year under review.

#### 21. Details of Fixed Deposits

During the year under review, your Company has neither invited nor accepted any deposits from the public, in terms of Section 73 of the Companies Act, 2013 read with Companies Acceptance of Deposit) Rules, 2014 and any provisions of the said Section are not applicable to your Company.

## 22. Extract of Annual Return

In accordance with the requirement of Section 92 and 134 (3) (a) of The Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT 9 shall be placed on the website of Company at <https://regencyhealthcare.in/investor-relations/>.

## 23. Details pursuant to Section 197(12) of the Companies Act, 2013

Information on Particulars of Employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms an integral part of this Report and is reproduced as below:

- Names of top ten (10) employees in terms of remuneration drawn and other particulars as required under sub-rule (3) of rule 5 is given in **Annexure D**.
- Names of those employees, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees - Covered in **Annexure D**.
- Names of those employees, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month- **NIL**.
- 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 2% of the equity shares of the company- **NIL**.

## 24. Auditors

### a) Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the Company in its 26th AGM held on 30 September 2015 approved the appointment of Walker Chandiok & Co LLP, Chartered Accountants, (Firm registration no.001076N/N500013) as Statutory Auditors of the Company for an initial term of five (5) years from the conclusion of the AGM till the conclusion of 31st AGM to be held in the year 2020.

Accordingly, the first term of Statutory Auditors shall expire in the forthcoming AGM and on recommendation of Audit Committee and approval of Board of Directors in its Meeting held on 26 September 2020, it was proposed to re-appoint Walker Chandiok & Co LLP, Chartered Accountants as the Statutory Auditors of the Company for second term of five (5) years subject to approval of Shareholders in the ensuing Annual General Meeting.

## Statutory Auditors' Report

The Report given by Walker Chandiok & Co LLP, Chartered Accountants on the Financial Statements of the Company for the year 2019-20 is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

## Details in respect of frauds reported by Auditors

There were no instances of fraud reported by the Statutory Auditors.

### b) Cost Auditors

The Board on recommendation of Audit Committee has re-appointed Mr. Rishi Mohan Bansal, Cost Auditor as the Cost Auditors of the Company in accordance with Section 148 and other applicable provisions of the Companies Act, 2013, for the audit of the cost records of the Company for the Financial Year 2019-20.

The remuneration proposed to be paid to the Cost Auditor, subject to ratification by the Shareholders of the Company at the ensuing 31st AGM, shall be Rs. 27,500 (Rupees Twenty Seven Thousand Five Hundred only) excluding taxes and out of pocket expenses, if any.

## Disclosure on maintenance of Cost Records

In terms of Section 148 (1) of Companies Act, 2013, the Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained in the prescribed manner.

## Cost Audit Report

The Cost Audit Report for the Financial Year 2018- 19 has been filed with the Central Government within the stipulated time on 12 December 2019.

### c) Internal Auditors

In compliance with the provisions of Section 138 of Companies Act, 2013, read with Companies (Accounts) Rules, 2014, your Company had appointed VSH & Associates, Chartered Accountants, India LLP as an Internal Auditors for the Financial Year 2019-20.

### d) 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 were not applicable to the Company during the year under review.

## 25. Vigil Mechanism/Whistle Blower Policy

The Company has established a Vigil Mechanism named Whistle Blower Policy, for Directors, employees and stakeholders to report to the Management, concerns about unethical behaviour, actual or suspected fraud or



violation of the Company's Code of Conduct or ethics, in accordance with the provisions of Section 177(10) of Companies Act, 2013. The Whistle Blower Policy is uploaded on the website of the Company at <http://regencyhealthcare.in/wp-content/uploads/Whistle-Blower-Policy.pdf>. Under this policy, we have adopted mechanism which would encourage our Directors, employees and all other stakeholders to report their genuine concern of any conduct that results in violation of the ethical behavior, or to report any act, if not conducted in a fair, transparent manner thereby compromising professionalism, honesty and integrity (on an anonymous basis, if stakeholders so desire).

## **26. Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements**

The Company has a robust and well embedded system of internal controls in place to ensure reliability of financial reporting, orderly and efficient conduct of business, compliance with policies, procedures, safeguarding of assets and economical and efficient use of resources. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and operate effectively.

Periodical programs of Internal Audits are planned and conducted which are also aligned with business objectives of the Company. The meetings with Internal Auditors at Board level are conducted wherein the status of audits and management reviews are informed to the Board.

The Company periodically conducts physical verification of its inventory, fixed assets and Cash on hands and matches it with the books of accounts. Explanations are sought for any variance noticed from the respective functional heads.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standard) Rules, 2014. Changes in Accounting Policies, if any are approved by the Audit Committee in consultation with the Statutory Auditors.

The Company uses an established SAP ERP HANA System to record day to day transactions for accounting and financial reporting. The SAP system is configured to ensure that all transactions are integrated seamlessly with the underline books of accounts, which helps in obtaining accurate and complete accounting records and timely preparation of reliable financial disclosures.

## **27. 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 E** to this

report.

## **28. Constitution of Internal Complaints Committee (ICC) Under The Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 (POSH)**

As a responsible employer, the Company is in compliance with and has adopted the "Prevention of Sexual Harassment at Workplace Policy" and constituted an Internal Complaints Committee (ICC) for Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the related aspects. The constitution of ICC is as per the provisions of POSH and includes external Members from NGO or those individuals having relevant experience.

The Committee meets on quarterly basis and as & when required and provides a platform for female employees for registration of concerns and complaints, if any.

During the year under Review i.e. 2019-20 four (4) meetings were held across all Centres of the Company to discuss on strengthening the safety of employees at the workplace. In addition, the awareness about the Policy and the provisions of POSH are also contained in Employee Handbooks and communication regarding the Policy forms an integral part of Induction Programs imparted to personnel of the Company. During the year under review, no complaints/cases were received by Company or required to be referred to ICC.

## **29. Material Changes And Commitments**

There were no material changes and commitments affecting the financial position of the Company which had occurred between 1 April 2020 and the date of the Report which had affected the going concern status of the Company.

## **30. The Change In The Nature of Business, If Any**

During the Financial Year ended 31 March 2020, there was no change in the nature of business of the Company.

## **31. Transfer of Unpaid And Unclaimed Amount To IEPF**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend, shares underlying dividend and refund of share application money due for refund which remains unpaid or unclaimed for a period of seven (7) years from the date of its transfer to unpaid dividend/unclaimed account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. During the year under review, no amount was due for transfer to IEPF.

### 32. 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, SEBI vide its impugned order dated 28 September 2018 had imposed penalty of Rs.5,00,000 on the Company for violation of Regulation 8A (4) of SEBI SAST Regulations, 1997 and, which though was paid by Company under protest was contested by the Company through its Attorneys by way of an appeal to Securities Appellate Tribunal (SAT) on 10 May 2019. Accordingly, the Hon'ble SAT vide its order dated 3 January 2020 had set aside and quashed the Order of SEBI and the penalty was refunded by SEBI on 16 July 2020 directly to the Bank Account of the Company and the same was further confirmed by SEBI vide its letter dated 21 July 2020.

Further, the Company along with its two (2) Promoter Directors of the Company viz. Dr.Atul Kapoor, Managing Director and Dr.Rashmi Kapoor, Whole-Time Director has been accused of violation of Section 15HA of SEBI Act, 1992 and penalty of Rs.15,00,000 on Company and Rs. 25,00,000 each on Promoter Directors was imposed by SEBI vide its Order dated 28 September 2018. The Company had deposited the said above penalty with interest under protest with SEBI and an appeal for same was filed before Hon'ble SAT. The SAT vide its final order dated 3 September 2020 has directed the Company to file additional documents and has set aside the impugned Order of SEBI Adjudicating Officer and remitted the matter back for fresh consideration by SEBI.

### 33. Green Initiatives

Electronic copies of the Annual Report 2019-20 and the Notices for the ensuing Annual General Meeting are sent to all members whose Email-addresses are registered with the Company/Depository Participant.

#### Acknowledgement

The Board of Directors place on record sincere gratitude and appreciation towards all its Stakeholders viz. shareholders, employees, investors, bankers, customers, suppliers, government agencies, depositories, auditors, legal advisors, consultants, business associates, service providers, academic partners for their continued commitment and support. The Board conveys deep sense of appreciation towards contributions made by every member of Regency Family during the year and expresses a heartfelt thanks and gratefulness to its Private Equity Investors for their continued support and patronage throughout the year.

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

sd/-

Place: Kanpur  
 Date: 26 September 2020

<b>Dr. Atul Kapoor</b>	<b>Dr. Rashmi Kapoor</b>
Managing Director	Whole-time Director
DIN : 01449229	DIN : 01818323



## Nomination and Remuneration Policy

### 1. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

### 2. Definitions

- 2.1. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. Board means Board of Directors of the Company.
- 2.3. Directors mean Directors of the Company.
- 2.4. Key Managerial Personnel means 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
- 2.4.2. Whole-time director;
- 2.4.3. Chief Financial Officer;
- 2.4.4. Company Secretary; and
- 2.4.5. such other officer as may be prescribed.
- 2.5. Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

### 3. Role of Committee

- 3.1. Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

#### The Committee shall:

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

- 3.2. Policy for appointment and removal of Director, KMP and Senior Management

- 3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### 3.2.2. Term / Tenure

- a) Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only. - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent

Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act

### 3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### 3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### 3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

### 3.3.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required. b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act. c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director. d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### 3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

#### a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's

Contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### 3.3.3. Remuneration to Non- Executive / Independent Director:

#### a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.



#### **4. Membership**

- 4.1 The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- 4.2 Minimum three (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **5. Chairperson**

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### **6. Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required.

#### **7. Committee Members' Interests**

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **8. Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.

#### **9. Voting**

- 9.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- 9.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **10. Nomination Duties**

The duties of the Committee in relation to nomination matters include:

- 10.1 Ensuring that there is an appropriate induction in place for

new Directors and members of Senior Management and reviewing its effectiveness;

- 10.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 10.4 Determining the appropriate size, diversity and composition of the Board;
- 10.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 10.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 10.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.10 Recommend any necessary changes to the Board; and
- 10.11 Considering any other matters, as may be requested by the Board.

#### **11. Remuneration Duties**

The duties of the Committee in relation to remuneration matters include:

- 11.1 to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 11.2 to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 to consider any other matters as may be requested by the Board.
- 11.5 Professional indemnity and liability insurance for Directors and senior management.

#### **12. Minutes of Committee Meeting**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.



**ANNEXURE B**
**Annual Report on CSR**

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. A brief outline of the Company's CSR policy, including over view of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs:**

The Company through its CSR initiatives is committed to enhance the social and economic development of communities and geographical areas, particularly in the vicinity of its location. CSR activities of Regency Hospital Limited are carried out through, Amrita Charitable Trust. Amrita Charitable Trust, the CSR wing of Regency has been facilitating social and educational initiatives over the years focusing on

- Make children with special needs self-dependent individuals as far as possible
- Create awareness among the society

- Provide Rehabilitation Services by a multi-disciplinary team
- Provide best possible facilities to meet the individual needs of children with disabilities
- Provide counseling and guidance about the benefits and concessions provided by Government of India related to children with disabilities.

**2. The Composition of the CSR Committee is as follows:**

S.No.	Name	Category	Designation
1	Anil Kumar Khemka	Independent Director	Chairman
2	Atul Kapoor	Managing Director	Member
3	Rashmi Kapoor	Whole Time Director	Member

**3. Average net profit of the Company for last three financial years: Rs. 5,25,93,948**
**4. Prescribed CSR Expenditure (2 % of the amount as in item 3 Above): Rs.10,51,879**
**5. Details of CSR spent during the Financial Year 2019-20**

- (a) Total amount spent for the Financial Year 2019-20: Rs. 24,21,000  
 (b) Amount unspent, if any: 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. 10,51,879	Rs.24,21,000	Rs.24,21,000	Implementing Agency*
<b>TOTAL</b>				<b>Rs10,51,879</b>	<b>Rs.24,21,000</b>	<b>Rs.24,21,000</b>	

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

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

Place: Kanpur  
 Date: 26 September 2020

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

**Atul Kapoor**  
 Managing Director  
 DIN : 01449229

**Anil Kumar Khemka**  
 Chairman-Independent Director  
 DIN : 00270032

## ANNEXURE C

### Form No. AOC-2

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 arm's length transaction under third proviso thereto.

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

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

S. No.	Particulars	Details
A	Name (s) of the related party & nature of relationship	NIL
B	Nature of contracts/arrangements/transaction	
C	Duration of the contracts/arrangements/transaction	
D	Salient terms of the contracts or arrangements or transaction including the value, if any	
E	Justification for entering into such contracts or arrangements or transactions'	
F	Date of approval by the Board	
G	Amount paid as advances, if any	
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

S. No.	Particulars									
A	<b>Name of the related party</b>	Dr. Rashmi Kapoor	Dr. Atul Kapoor	Mr. Anant Ram Kapoor	Mrs. Jhanvi Kapoor	Mr. Arun Kapoor	Mr. Abhishek Kapoor	Regency Nephrocare Pvt. Ltd.	Sibling Lifecare Pvt. Ltd.	Regency Institute of Nursing
B	<b>Nature of relationship</b>	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	Wholly-owned Subsidiary Company
C	<b>Nature of contracts/ arrangements/ transactions</b>	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	1. Investment in Equity Shares
D	<b>Duration of approval / arrangement/ transactions</b>	One year w.e.f 01.04.2019	One year w.e.f 01.04.2019	One year w.e.f 01.04.2019	One year w.e.f 01.04.2019	One year w.e.f 01.04.2019	One year w.e.f 01.04.2019	One year w.e.f 01.04.2019	One year w.e.f 01.04.2019	w.e.f 25.10.2019



E	<b>Salient Terms of the contracts/ arrangements/transactions</b>	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	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 2. Purchases of Goods	1. To Incorporate it as wholly owned subsidiary
F	<b>Justification for entering into such contracts/ arrangements/transactions</b>	At Arm's length basis								
G	<b>Date of approval by the Board</b>	17 May 2019								28 Sep 2019
H	<b>Amount incurred during the year (Rs.)</b>	1. Rs. 8,610,000 2. Rs. 3,900,000 3. Rs. 19,925,177 4. Rs. 4,716,000	1. Rs. 10,864,996 2. Rs. 907,500	1. Rs. 180,000 2. Rs. 8,195,997	Rs. 800,000	Rs. 2,141,563	Rs. 4,500,000	1. Rs. 4,820,041 2. NIL 3. Rs. 66,033,096 4. Rs. 212,542	1. NIL 2. Rs. 295,709,912	1. Rs. 1,000,000

**ANNEXURE D**
**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 (In years)	Last Employment Held	% of equity shares held	Whether is a relative of any Director or Manager
1	Dr. Atul Kapoor	Managing Director	10,864,996.00	Permanent	MBBS & MS	39 Yrs	8/6/1987	63	Since Inception	19.24%	Yes
2	Dr. Rashmi Kapoor	Whole-Time Director	8,610,000.00	Permanent	MBBS & MD	38 Yrs	8/6/1987	63	Since Inception	24.03	Yes
3	Mr. Abhishek Kapoor	Sr-Vice President-Strategy	4,500,000.00	Permanent	MBA	11 Yrs	3/7/2012	35	Davita Inc Denver Colorado, USA	1.32	Yes
4	Dr. Chandra Prakash Singh	Consultant	2,822,193.00	Permanent	MBBS, DCH, DNB - Pead	3.5 Yrs	1/8/2017	36	Private Practice	NIL	No
5	Ms. Ruby Shrivastava	Anesthetist	2,769,484.00	Permanent	MD (Anesthesia) BAMS, PG	18 Yrs	1/8/2012	51	Private Practice	NIL	No
6	Dr. Vikas Bhargava	Centre Head	2,568,384.00	Permanent	Diploma In Hospital Management	27 Yrs	15/2/2016	51	Shubham Hospital	NIL	No
7	Mr. Sudeep Sharma	Head HR	2,523,972.00	Permanent	MBA	15 Yrs	18/6/2019	38	Max Healthcare	NIL	No
8	Mr. Shadab Rasool Siddiqui	Technical Supervisor	2,393,317.00	Permanent	Certificate Course in OT	33 Yrs	1/3/1995	62	Batra Hospital	NIL	No
9	Mr. Abid Taukeer	Centre Head	2,367,457.00	Permanent	MBA Hospital Administration	19 Yrs	18/6/2019	44	Naraina Hrudalya Ltd., Guhawati	NIL	No
10	Dr. Nupur Trivedi	Consultant Pathologist	2,248,357.00	Permanent	MBBS, MD (Pathology)	16 Yrs	2/3/2004	47	NA	NIL	No

## ANNEXURE E

### Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo

[Pursuant to Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014]

<b>Conservation of Energy :</b> (ii) The steps taken or impact on conservation of energy (ii) The steps taken by the company for utilizing alternate sources of energy (iii) The capital investment on energy conservation equipment;	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.
<b>Technology Absorption :</b> (i) The efforts made towards technology absorption	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.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	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.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)  a. the details of technology imported b. the year of import; c. whether the technology been fully absorbed d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
(iv) the expenditure incurred on Research and Development.	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.
<b>Foreign Exchange Earnings and Outgo</b>	i. The Actual Inflows : Nil ii. The Actual Outflows : • USD 2,78,000 equivalent to INR 20,799,888. • EURO1,210 equivalent to INR 113,988



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

1. We have audited the accompanying consolidated financial statements of Regency Hospital Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, 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.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the consolidated state of affairs of the Group, its associate as at 31 March 2020, and their consolidated profit, and consolidated cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

4. The Holding Company's Board of Directors is responsible

for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements 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 specified 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 of 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 consolidated 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.
6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included

in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Other Matter**

11. The consolidated financial statements also include the Group's share of net profit of ₹ 1,423,453 for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid 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, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements is not material to the Group.

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 matter with respect to our reliance on the financial information certified by the management.

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

12. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, covered under the Act paid remuneration to their respective



directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. The Subsidiary companies have not paid or provided for any managerial remuneration during the year. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to associate company covered under the Act, since the associate company is not a public company as defined under section 2(71) of the Act.

13. As required by section 143 (3) of the Act, based on our audit on separate financial statements and other financial information of the subsidiary companies and associate company, 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) 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;
- c) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- d) 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, none of the directors of the Group companies and its associate company covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act.
- e) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
- f) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its associate company as detailed in Note 39 to the consolidated financial statements;

- i. the Holding Company, its subsidiary companies and associate company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- ii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate company covered under the Act, during the year ended 31 March 2020; and
- iii. 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 Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 20504774AAAAKZ5021

**Place:** Gurugram

**Date:** 26 September 2020



**Annexure 1**
**List of Subsidiaries**

1. Sibling Lifecare Private Limited
2. Regency Institute of Nursing

**List of Associate**

1. Regency Nephrocare Private Limited

**Annexure A 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 2020**

**Annexure A**

**Independent Auditor's Report on the internal financial controls with reference to financial statements 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 subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate as at and for the year ended 31 March 2020 we have audited the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate 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 for the Audit of the Internal Financial Controls with Reference to Financial**

**Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies as aforesaid.
  6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies as aforesaid.
- Meaning of Internal Financial Controls with Reference to Financial Statements**
7. A company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements 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 with Reference to Financial Statements**

8. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

9. In our opinion, the Holding Company, and its subsidiary companies which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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").

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

Chartered Accountants

Firm's Registration No.: 001076N/N500013

#### **Rohit Arora**

Partner

Membership No.: 504774

UDIN: 20504774AAAAKZ5021

**Place:** Gurugram

**Date:** 26 September 2020

**Consolidated Balance Sheet as at 31 March 2020**

(All amounts are in rupees, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	5	140,427,790	140,427,790
Reserves and surplus	6	1,425,437,657	1,348,089,204
		<b>1,565,865,447</b>	<b>1,488,516,994</b>
Minority interest		-	-
<b>Non-current liabilities</b>			
Long-term borrowings	7	1,308,744,697	1,233,256,402
Deferred tax liabilities (net)	8	76,493,679	45,357,858
Other long-term liabilities	9	281,544,523	244,056,904
		<b>1,666,782,899</b>	<b>1,522,671,164</b>
<b>Current liabilities</b>			
Short-term borrowings	10	252,324,628	174,590,694
Trade payables	11		
- Total outstanding dues of micro enterprises and small enterprises		5,602,196	8,021,143
- Total outstanding dues of creditors other than micro enterprises and small enterprises		288,895,692	271,902,007
Other current liabilities	12	478,603,433	404,384,260
Short-term provisions	13	9,364,861	5,807,100
		<b>1,034,790,810</b>	<b>864,705,204</b>
<b>Total</b>		<b>4,267,439,156</b>	<b>3,875,893,362</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	14		
Property, plant and equipment		2,645,443,633	2,550,715,059
Intangible assets		15,048,000	5,386,187
Capital work-in-progress		513,553,915	342,147,301
Intangible assets under development		4,366,000	11,589,117
Non-current investments	15	15,888,590	14,465,137
Long-term loans and advances	16	212,306,658	212,983,998
Other non-current assets	21	9,360,317	3,573,977
		<b>3,415,967,113</b>	<b>3,140,860,776</b>
<b>Current assets</b>			
Current investments	17	30,144,253	52,071,198
Inventories	18	130,141,724	91,450,348
Trade receivables	19	387,415,692	370,044,863
Cash and bank balances	20	235,587,539	167,854,058
Short-term loans and advances	16	17,541,196	8,320,663
Other current assets	21	50,641,639	45,291,456
		<b>851,472,043</b>	<b>735,032,586</b>
<b>Total</b>		<b>4,267,439,156</b>	<b>3,875,893,362</b>

Summary of significant accounting policies 4

The accompanying notes are an integral part of the financial statements

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

**For Walker Chandlok & Co LLP**  
 Chartered Accountants  
 Firm's Registration No.: 001076N/N500013  
 Sd/-  
**Rohit Arora**  
 Partner  
 M.No- 504774

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

Sd/-  
**Dr. Atul Kapoor**  
 Managing Director  
 DIN- 01449229  
 Sd/-  
**Ankita Gupta**  
 Company Secretary

Sd/-  
**Dr. Rashmi Kapoor**  
 Director  
 DIN- 01818323  
 Sd/-  
**Deepak Gupta**  
 Chief Financial Officer

Place : Gurugram  
 Date : 26 September 2020

Place : Kanpur  
 Date : 26 September 2020



## Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>REVENUE</b>			
Revenue from operations	22	2,546,976,239	2,259,451,778
Other income	23	22,110,425	25,911,743
<b>Total revenue</b>		<b><u>2,569,086,664</u></b>	<b><u>2,285,363,521</u></b>
<b>EXPENSES</b>			
Consumption of pharmacy, surgical and kitchen items	24	527,206,494	496,959,063
Employee benefits expense	25	450,053,561	411,380,646
Finance costs	26	144,732,570	142,013,595
Depreciation and amortisation expense	27	135,823,816	130,006,663
Other expenses	28	1,169,725,183	1,045,848,159
<b>Total expenses</b>		<b><u>2,427,541,624</u></b>	<b><u>2,226,208,126</u></b>
<b>Profit before tax and exceptional items</b>		<b>141,545,040</b>	<b>59,155,395</b>
Exceptional item	29	-	19,969,708
Profit before tax		141,545,040	39,185,687
Tax expense			
- Current tax		866,561	9,213,169
- Current tax relating to earlier year		2,569,446	448,350
- Deferred tax		31,135,820	10,935,554
- Minimum Alternate Tax (MAT) credit entitlement		-	(9,213,169)
- Minimum Alternate Tax (MAT) recoverable written off (refer note 31)		31,048,213	-
		<b><u>65,620,040</u></b>	<b><u>11,383,904</u></b>
<b>Profit after tax before minority interest/share of profit in associates</b>		<b>75,925,000</b>	<b>27,801,783</b>
Add: Share in profits of associates		1,423,453	2,810,257
<b>Net profit for the year</b>		<b><u>77,348,453</u></b>	<b><u>30,612,040</u></b>
<b>Earnings per equity share (nominal value ₹ 10)</b>	30		
Basic and diluted		5.51	2.28
Summary of significant accounting policies	4		
The accompanying notes are an integral part of the financial statements			
This is the Consolidated Statement of Profit and Loss referred to in our report of even date			

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rohit Arora**

Partner

M.No- 504774

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

Sd/-

**Dr. Atul Kapoor**

Managing Director

DIN- 01449229

Sd/-

**Ankita Gupta**

Company Secretary

Sd/-

**Dr. Rashmi Kapoor**

Director

DIN- 01818323

Sd/-

**Deepak Gupta**

Chief Financial Officer

**Place : Gurugram**

Date : 26 September 2020

**Place : Kanpur**

Date : 26 September 2020

## Consolidated Cash Flow Statement for the year ended 31 March 2020

(All amounts are in rupees, unless otherwise stated)

PARTICULARS	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A Cash flow from operating activities</b>		
Profit before tax	141,545,040	39,185,687
<b>Adjustments for:</b>		
Depreciation expense	135,823,816	130,006,663
Interest expense	144,702,263	142,013,595
Interest income	(1,714,461)	(9,831,279)
Loss on sale of fixed asset( net)	906,051	21,379,226
Profit on sale of current investments	(8,309,092)	(3,293,531)
Provision for doubtful debts	21,684,736	3,639,654
Credit balances written back		
Bad debts	54,794,818	62,182,003
Provisions no longer required written back	(245,526)	(3,164,805)
<b>Operating profit before working capital changes</b>	<b>489,187,645</b>	<b>382,117,213</b>
<b>Adjustments for movement in:</b>		
Increase in trade payables	6,602,483	103,485,276
(Decrease)/increase in provisions and other liabilities	147,768,503	(47,503,598)
(Increase) in trade receivables	(83,169,023)	(173,667,267)
(Increase)/decrease in loans and advances and other assets	(14,911,025)	2,607,864
(Increase)/decrease in inventories	(38,691,376)	(14,460,444)
<b>Cash generated from operations</b>	<b>506,787,207</b>	<b>252,579,045</b>
Less: Taxes paid (net)	(40,079,704)	(21,481,281)
<b>Net cash generated from operating activities</b>	<b>466,707,503</b>	<b>231,097,764</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress and movement in creditors for capital goods and capital advances)	(404,820,357)	(382,238,331)
Interest received	730,187	8,816,225
Purchase of non-current investments	-	974,691
Purchase of current investments	(376,087,465)	(92,825,000)
Proceeds from sale of current investments	406,323,502	91,101,385
Investment in bank deposits (having original maturity of more than three months)	(189,627,444)	167,062,865
<b>Net cash used in investing activities</b>	<b>(563,481,577)</b>	<b>(207,108,164)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	-	135,000,078
Proceeds from short-term borrowings (net)	77,733,934	25,932,867
Proceeds from long-term borrowings	155,908,403	212,429,988
Repayment of long-term borrowings	(117,308,817)	(134,390,058)
Interest paid	(141,453,409)	(139,545,119)
<b>Net cash generated from/(used in) financing activities</b>	<b>(25,119,890)</b>	<b>99,427,755</b>
<b>Net increase in cash and cash equivalents</b>	<b>(121,893,964)</b>	<b>123,417,355</b>
Cash and cash equivalents at the beginning of the year	157,196,317	33,778,962
<b>Cash and cash equivalents at the end of the year</b>	<b>35,302,354</b>	<b>157,196,317</b>
Components of cash and cash equivalents		
Cash on hand	5,986,439	5,315,762
Balances with banks in current accounts	29,315,915	151,880,555
	<b>35,302,354</b>	<b>157,196,317</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).

Summary of significant accounting policies

4

The accompanying notes are an integral part of the financial statements

This is the Consolidated Cash Flow Statement referred to in our report of even date

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rohit Arora**

Partner

M.No- 504774

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

Sd/-

**Dr. Atul Kapoor**

Managing Director

DIN- 01449229

Sd/-

**Ankita Gupta**

Company Secretary

Sd/-

**Dr. Rashmi Kapoor**

Director

DIN- 01818323

Sd/-

**Deepak Gupta**

Chief Financial Officer

**Place : Gurugram**

Date : 26 September 2020

**Place : Kanpur**

Date : 26 September 2020



## 1. Corporate Information

Regency Hospital Limited (the 'Group') is a public limited Company together with its subsidiaries (collectively referred to as the "Group") and associate, 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.

## 2. Principles of Consolidation

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

The financial statements of the Group and its subsidiary Group 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 Group.

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 Group'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 Group's separate financial statements.

## 3. Basis of preparation of financial statements

The financial statements of the Group have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Group has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Rules, 2006 (as amended from time to time). The financial statements have been prepared on going concern on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### Current-non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

### **Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

### **Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### **Operating cycle**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

## **4. Significant accounting policies**

### **a. 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.

### **b. Revenue recognition**

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

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

Revenue 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.

### **c. 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 Goods & Service 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.

### **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



**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

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 Group 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. 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.

**h. 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 proceed is charged or credited to the statement of profit and loss.

**i. 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.

**j. 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 Group pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provision Act, 1952 and Employee State Insurance Act, 1948 respectively. The Group 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 Group 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.

**k. Income taxes**

Tax expenses comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be

realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**l. 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 Group'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.

**m. 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.

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

- 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.

cash on hand and short-term bank deposits with an original maturity of three months or less.

**n. Contingent liabilities and provisions**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Group not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Group, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, has been disclosed as a contingent liability in the financial statements.

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**o. Earnings per share:**

Basic earnings/loss per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/loss per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**p. Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank,

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
**5 Share capital**

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	55,000,000	550,000,000	55,000,000	550,000,000
	<b>55,000,000</b>	<b>550,000,000</b>	<b>55,000,000</b>	<b>550,000,000</b>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10 each	14,042,779	140,427,790	14,042,779	140,427,790
	<b>14,042,779</b>	<b>140,427,790</b>	<b>14,042,779</b>	<b>140,427,790</b>

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

The Group 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 Group, holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- (b) The Group has not issued any share pursuant to a contract without payment being received in cash in the current year and preceding five years. The Group 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>	<b>14,042,779</b>	<b>140,427,790</b>	<b>13,448,065</b>	<b>134,480,650</b>
<b>Add : Issued during the year</b>	-	-	594,714	5,947,140
<b>Balance at the end of the year</b>	<b>14,042,779</b>	<b>140,427,790</b>	<b>14,042,779</b>	<b>140,427,790</b>

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

	Number	% of shareholding	Number	% of shareholding
Dr. Rashmi Kapoor	3,433,502	24.45%	3,433,502	24.45%
Dr. Atul Kapoor	2,702,260	19.24%	2,702,260	19.24%
Atul Kapoor (HUF)	1,182,523	8.42%	1,182,523	8.42%
Anant Ram Kapoor	886,252	6.31%	886,252	6.31%
International Finance Corporation	2,802,217	19.95%	2,802,217	19.95%
Kois Holdings	908,590	6.47%	908,590	6.47%
Healthquad Fund	770,832	5.49%	770,832	5.49%

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

Balance at the beginning and end of the year	981,255,572	852,202,634
Add: Additions during the year (refer note 6(a) below)	-	129,052,938
<b>Total A</b>	<b>981,255,572</b>	<b>981,255,572</b>

**General reserve**

Balance at the beginning of the year	118,740,101	118,740,101
Add : Transferred from the statement of profit and loss	300,000,000	-
Balance at the end of the year (B)	418,740,101	118,740,101

**Surplus in the statement of profit and loss**

Balance at the beginning of the year	248,093,531	217,481,491
Add : Transferred from the statement of profit and loss	77,348,453	30,612,040
Less : Transferred to General Reserve	300,000,000	-
Balance at the end of the year (C)	25,441,984	248,093,531
<b>Total reserves and surplus (A+B+C)</b>	<b>1,425,437,657</b>	<b>1,348,089,204</b>



Note 6 (a): During the previous year ended 31 March 2019, the Holding Company had allotted 594,714 equity shares to Dr. Rashmi Kapoor, International Finance Corporation, Koils 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)	1,390,683,857	1,349,064,265
Vehicle loans from banks [refer note (b) below]	1,975,000	776,416
Vehicle loans from others (NBFC) [refer note (c) below]	6,428,020	10,427,709
	<u>1,399,086,877</u>	<u>1,360,268,390</u>
Less: Current maturities of long-term borrowings (refer note 12)	<u>90,342,180</u>	<u>127,011,988</u>
<b>Total A</b>	<b><u>1,308,744,697</u></b>	<b><u>1,233,256,402</u></b>

### Unsecured

Term Loans financial institution [refer note (d) below]	-	218,902
Term loans from financial institutions (refer note (e) below)	-	-
	-	218,902
Less: Current maturities of long-term borrowings (refer note 12)	-	218,902
<b>Total B</b>	<b>-</b>	<b>-</b>
<b>Grand Total C (A+B)</b>	<b><u>1,308,744,697</u></b>	<b><u>1,233,256,402</u></b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

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

Name of bank Financial Institution	As at 31 March 2020	As at 31 March 2019	Repayment terms	Details of security
HDFC Bank	6,876,926	10,964,502	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	-	111,952,109	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	-	22,946,987	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	-	30,000,000	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 equipment's 4. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
*Yes Bank Limited	-	122,057,144	Duration: 102 Months (including 18 Months Moratorium), 28 quarterly instalment of ₹ 50,85,714 per quarter beginning from 19th May ,2018 till 17th February, 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	-	7,868,646	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	31,777,054	37,860,857	Duration: 96 Months (including 12 Months Moratorium), 84 Equated Monthly Instalments of ₹762,425 beginning from 1 October 2017 to 1 September 2024.	3. Hypothecation and exclusive charge on plant & machinery & other assets of the Holding company (both current and future)
HDFC Bank	62,451,150	71,062,065	Duration: 102 Months (including 18 Months Moratorium), 84 Equated Monthly Instalments of ₹ 1,340,528 beginning from 1 April 2018 and ending on 1 March 2025.	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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
*(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)**
**(a) Secured term loans from banks (contd.)**

Name of bank Financial Institution	As at 31 March 2020	As at 31 March 2019	Repayment terms	Details of security																						
HDFC Bank	61,595,906	72,334,332	102 Equated Monthly Instalment (EMI's) of ₹ 1,383,869, beginning from 5 September 2016 and ending on 5 February 2025.	b) 117/138 B-2 Sarvodya Nagar, Kanpur c) 117/101, K-Block Kakadeo Hospital Kanpur, UP.																						
HDFC Bank	32,212,265	35,621,773	100 Equated Monthly Instalments (EMIs) beginning from 20th January 2018 to 20th March 2026 details as follows:- EMI of ₹ 556,708 from 20th January 2018 to 20th June 2018. EMI of ₹ 587,347 from 20th July 2018 to 20th March 2026.	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. Hypothecation and exclusive charge on plant & machinery & other assets of the Holding company RHL-MSH facility ( Both current & future) 5. Co-applicancy/Personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor and Mr. A.R. Kapoor. SPDC with SI for all activities as per bank requirement from company and promoters. 6. The customer has to ensure insurance cover against all risk on the equipment financed . The said policy to be endorsed in the name of Hdfc Bank Ltd. 7. Hedging of Fx exposures as appointed by the bank , General Insurance for all assets to be lien marked in favour 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, Kanpur b) M/s Abhirev Healthcare Pvt Ltd. (amalgamated with Regency Hospital Ltd.)- 117/138 B-2 Sarvodaya Nagar Kanpur UP c) 117/101, K-Block Kakadeo Hospital Kanpur, UP																						
HDFC Bank	54,438,539	58,570,733	102 Equated monthly Instalments starting from 1st April 2018 and ending on 1st Sept 2026. Details of EMI is as follows:- EMI of ₹757,122 beginning from 1st April 2018 ending on 1st July 2018. EMI of ₹393,081 beginning from 1st August 2018 ending on 1st November 2018. EMI of ₹ 493,281 beginning from 1st December 2018 ending on 1st March 2019. EMI of ₹897,297 beginning from 1st April 2019 ending on 1st September 2026.																							
* Yes Bank Limited	-	600,000,000	Term loan of 60 Cr. With tenor of 12 years. Repayment in quarterly structured instalments after a 3 year moratorium from date of 1st disbursement, as per repayment schedule given below : <table><tr><th>Year</th><th>Repayment</th></tr><tr><td>1 to 3</td><td>Nil</td></tr><tr><td>4</td><td>1% of TL with interest</td></tr><tr><td>5</td><td>4% of TL with interest</td></tr><tr><td>6</td><td>5% of TL with interest</td></tr><tr><td>7</td><td>7% of TL with interest</td></tr><tr><td>8</td><td>8% of TL with interest</td></tr><tr><td>9</td><td>10% of TL with interest</td></tr><tr><td>10</td><td>20% of TL with interest</td></tr><tr><td>11</td><td>20% of TL with interest</td></tr><tr><td>12</td><td>25% of TL with interest</td></tr></table>	Year	Repayment	1 to 3	Nil	4	1% of TL with interest	5	4% of TL with interest	6	5% of TL with interest	7	7% of TL with interest	8	8% of TL with interest	9	10% of TL with interest	10	20% of TL with interest	11	20% of TL with interest	12	25% of TL with interest	1. Exclusive charge on Land & Building located at 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.
Year	Repayment																									
1 to 3	Nil																									
4	1% of TL with interest																									
5	4% of TL with interest																									
6	5% of TL with interest																									
7	7% of TL with interest																									
8	8% of TL with interest																									
9	10% of TL with interest																									
10	20% of TL with interest																									
11	20% of TL with interest																									
12	25% of TL with interest																									
*Yes Bank Limited		65,000,000	36 structured quarterly instalments after a initial moratorium period of 38 months ending in June 2021 <table><tr><th>Year</th><th>Repayment</th></tr><tr><td>1 to 3</td><td>Nil</td></tr><tr><td>4</td><td>1% of TL with interest</td></tr><tr><td>5</td><td>4% of TL with interest</td></tr><tr><td>6</td><td>5% of TL with interest</td></tr></table>	Year	Repayment	1 to 3	Nil	4	1% of TL with interest	5	4% of TL with interest	6	5% of TL with interest	1. Exclusive charge on all immovable fixed assets and moveable fixed assets of the Renal Care center, Kanpur both present and future. 2. Exclusive charge on Current assets of the Renal Care center, Kanpur both present and future. 3. First charge on specific equipment's located at A-2 Sarvodaya Nagar Kanpur as												
Year	Repayment																									
1 to 3	Nil																									
4	1% of TL with interest																									
5	4% of TL with interest																									
6	5% of TL with interest																									



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
*(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)**
**(a) Secured term loans from banks (contd.)**

Name of bank Financial Institution	As at 31 March 2020	As at 31 March 2019	Repayment terms	Details of security
			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	mentioned below: Philips Inertia 1.5t Mri System -1 Qty Ventilator Siemens -5 Qty Cath lab -1 Qty 4. Exclusive charge on current assets of the South Kanpur Hospital both present and future. 5. Exclusive charge on medical equipment's& and moveable fixed assets of South Kanpur Hospital both present and future. 6. Exclusive charge by way of hypothecation of CA & MFA of nursing college both present and future. 7. Exclusive charge by way of equitable mortgage on Land & building of Nursing college both present and future 8. Personal Guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Yes Bank Limited	33,514,088	7,825,117	84 Equated Monthly Instalment (EMI's) of ₹ 1,33,836	Hypothecation on Original Invoices and Insurance Copies
*Yes Bank Limited	-	95,000,000	36 structured quarterly instalments after a initial moratorium period of 38 months ending in June 2021 <b>Year</b> 1 to 3 Nil 4 1% of TL with interest 5 4% of TL with interest 6 5% of TL with interest 7 7% of TL with interest 8 8% of TL with interest 9 10% of TL with interest 10 20% of TL with interest 11 20% of TL with interest 12 25% of TL with interest	1. Exclusive charge on all immovable fixed assets and moveable fixed assets of the Renal Care center, Kanpur both present and future. 2. Exclusive charge on Current assets of the Renal Care center, Kanpur both present and future. 3. First charge on specific equipment's located at A-2 Sarvodaya Nagar Kanpur as mentioned below: Philips Inertia 1.5t Mri System -1 Qty Ventilator Siemens -5 Qty Cath lab -1 Qty 4. Exclusive charge on current assets of the South Kanpur Hospital both present and future. 5. Exclusive charge on medical equipment's& and moveable fixed assets of South Kanpur Hospital both present and future. 6. Exclusive charge by way of hypothecation of CA & MFA of nursing college both present and future. 7. Exclusive charge by way of equitable mortgage on Land & building of Nursing college both present and future 8. Personal Guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor 9. Exclusive charge by way of hypothecation of CA & MFA of renal care hospital in Lucknow.
HDFC Bank	110,000,000	-	Duration: 120 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹1,519,030 per month beginning from 20 December 2020 till 20 November 2029	1. First and exclusive charge on all current assets (Stock, consumables and book debts of Regency Hospital Limited ( Both present & future of MSH )
HDFC Bank	96,355,000	-	Duration: 120 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹1,330,601 per month beginning from 20 December 2020 till 20 November 2029	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
HDFC Bank	106,232,040	-	Duration: 63 EMIs of ₹2,260,652 per month beginning from 20 December 2019 till 20 February 2025	4. Hypothecation and exclusive charge on plant & machinery & other assets of the Holding company RHL-MSH facility ( Both

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
*(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)**
**(a) Secured term loans from banks (contd.)**

Name of bank Financial Institution	As at 31 March 2020	As at 31 March 2019	Repayment terms	Details of security																					
HDFC Bank	92,980,018	-	Duration: 23 EMIs of ₹5,288,269 per month beginning from 20 December 2019 till 20 October 2021	current & future ) 5. Co-applicancy/Personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor and Mr. A.R. Kapoor. SPDC with SI for all activities as per bank requirement from company and promoters. 6. The customer has to ensure insurance cover against all risk on the equipment financed . The said policy to be endorsed in the name of Hdfc Bank Ltd. 7. Hedging of Fx exposures as appointed by the bank , General Insurance for all assets to be lien marked in favour 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, Kanpur b) M/s Abhirev Healthcare Pvt Ltd. (amalgamated with Regency Hospital Ltd.)- 117/138 B-2 Sarvodaya Nagar Kanpur UP c) 117/101, K-Block Kakadeo Hospital Kanpur, UP																					
HDFC Bank	29,012,330	-	Duration: 120 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹400,642 per month beginning from 20 December 2020 till 20 November 2029																						
HDFC Bank	18,876,743	-	Duration: 96 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹308,522 per month beginning from 20 February 2021 till 20 January 2028																						
HDFC Bank	23,196,788	-	Duration: 33 EMIs of ₹898,369 per month beginning from 20 December 2019 till 20 August 2022																						
HDFC Bank	6,428,306	-	Duration: 120 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹88,771 per month beginning from 20 January 2021 till 20 December 2029																						
HDFC Bank	7,350,600	-	08 Equated Monthly Instalments (EMIs) of ₹ 77,337 per month beginning from 05 July 2019 till 05 February 2020 and thereafter 88 EMIs of ₹ 118,170 per month till 05 June 2027																						
Indusind Bank	3,386,104	-	Loan With a Door to Door tenor of 7 years . Repayment in quarterly structured instalments after the end of 5 the Quarter from the date of 1st drawdown as per repayment schedule given below :	1. Exclusive charge on the medical equipment and other movable fixed assets (both present and future) in Oncology and Gastro Centre. 2. Exclusive charge by way of equitable mortgage on the land and building of the Oncology and Gastro Centre 3. Exclusive charge on all current assets (both present & future) of Oncology and Gastro Centre.																					
Indusind Bank	14,000,000		<table><tr><th>Quarter</th><th>Amount Per Instalment</th></tr><tr><td>1 to 4</td><td>Nil</td></tr><tr><td>5 to 24</td><td>4% of Drawn with interest</td></tr><tr><td>25 to 28</td><td>5% of Drawn with interest</td></tr></table>		Quarter	Amount Per Instalment	1 to 4	Nil	5 to 24	4% of Drawn with interest	25 to 28	5% of Drawn with interest													
Quarter	Amount Per Instalment																								
1 to 4	Nil																								
5 to 24	4% of Drawn with interest																								
25 to 28	5% of Drawn with interest																								
Indusind Bank	600,000,000	-	Loan With a Door to Door tenure of 10.5 years . Repayment in 36 quarterly ended structured instalments as per repayment schedule given below :																						
			<table><tr><th>Year</th><th>Repayment</th></tr><tr><td>Till Sept 21</td><td>Nil</td></tr><tr><td>Oct 21 to Sep 22</td><td>1% of TL with interest</td></tr><tr><td>Oct 22 to Sep 23</td><td>4% of TL with interest</td></tr><tr><td>Oct 23 to Sep 24</td><td>5% of TL with interest</td></tr><tr><td>Oct 24 to Sep 25</td><td>7% of TL with interest</td></tr><tr><td>Oct 25 to Sep 26</td><td>8% of TL with interest</td></tr><tr><td>Oct 26 to Sep 27</td><td>10% of TL with interest</td></tr><tr><td>Oct 27 to Sep 28</td><td>20% of TL with interest</td></tr><tr><td>Oct 28 to Sep 29</td><td>20% of TL with interest</td></tr><tr><td>Oct 29 to Sep 30</td><td>25% of TL with interest</td></tr></table>	Year	Repayment	Till Sept 21	Nil	Oct 21 to Sep 22	1% of TL with interest	Oct 22 to Sep 23	4% of TL with interest	Oct 23 to Sep 24	5% of TL with interest	Oct 24 to Sep 25	7% of TL with interest	Oct 25 to Sep 26	8% of TL with interest	Oct 26 to Sep 27	10% of TL with interest	Oct 27 to Sep 28	20% of TL with interest	Oct 28 to Sep 29	20% of TL with interest	Oct 29 to Sep 30	25% of TL with interest
Year	Repayment																								
Till Sept 21	Nil																								
Oct 21 to Sep 22	1% of TL with interest																								
Oct 22 to Sep 23	4% of TL with interest																								
Oct 23 to Sep 24	5% of TL with interest																								
Oct 24 to Sep 25	7% of TL with interest																								
Oct 25 to Sep 26	8% of TL with interest																								
Oct 26 to Sep 27	10% of TL with interest																								
Oct 27 to Sep 28	20% of TL with interest																								
Oct 28 to Sep 29	20% of TL with interest																								
Oct 29 to Sep 30	25% of TL with interest																								

**Total A**                      **1,390,683,857**      **1,349,064,265**

\* aforesaid loan of YES Bank has been taken over by HDFC Bank during the year.

The above loan carry an interest rate ranging from 9.50 % p.a. to 10.20% p.a. (previous year 9.50% p.a. to 10.80% p.a.).

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
**(b) Secured vehicle loan from financial institution**

Name of party	As at 31 March 2020	As at 31 March 2019	Terms of repayment	Details of security
HDFC Bank	1,975,000	-	Equated Monthly Instalments (EMIs) of ₹ 40,425	Secured by way of charge on vehicle financed through the loan facility.
Allahabad Bank	-	776,416	Equated Monthly Instalments (EMIs) of ₹ 22,300	Secured by way of charge on vehicle financed through the loan facility.
<b>Total B</b>	<b>1,975,000</b>	<b>776,416</b>		

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

**(c) Secured vehicle loan from others (NBFC)**

Name of party	As at 31 March 2020	As at 31 March 2019	Terms of repayment	Details of security
Kotak Mahindra Prime Limited	6,428,020	10,427,709	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>Total C</b>	<b>6,428,020</b>	<b>10,427,709</b>		

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

**(d) Unsecured loan from financial institutions**

Name of party	As at 31 March 2020	As at 31 March 2019	Terms of repayment
Magma Fincorp Limited	-	218,902	48 Equated Monthly Instalments (EMIs) of ₹ 222.27 per month beginning from 07 May 2015 till 07 April 2019
<b>Total D</b>	<b>-</b>	<b>218,902</b>	
<b>Grand Total E (A+B+C+D)</b>	<b>1,392,658,857</b>	<b>1,350,059,583</b>	
Less: Current maturities of long term debts (refer note 12) (F)	(90,342,180)	(127,230,890)	
<b>Net balance G (E-F)</b>	<b>1,302,316,677</b>	<b>1,222,828,693</b>	

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

**8. Deferred tax liabilities (net)**
**Deferred tax liability**

Impact of difference between tax depreciation and depreciation/amortisation charged as per books of account

Deferred lease rent recoverable

Provision for gratuity

**Deferred tax assets**

Provision for gratuity

Provision for bonus

Provision for doubtful debts

Rent equalisation reserve

Expenses incurred on capital raising

Unabsorbed depreciation as per the Income- tax Act, 1961

Preliminary expenses to be allowed in subsequent years

	As at 31 March 2020	As at 31 March 2019
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128,256,132	119,772,983
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1,567,470	994,280
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-	91,164
---	--------

(881,623)	-
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(3,343,550)	(3,304,951)
-------------	-------------

(13,269,163)	(8,634,666)
--------------	-------------

(13,472,238)	(5,904,608)
--------------	-------------

(7,478,866)	(8,498,474)
-------------	-------------

(14,883,385)	(49,155,223)
--------------	--------------

(1,098)	(2,647)
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<b>76,493,679</b>	<b>45,357,858</b>
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**9. Other long-term liabilities**

Rent equalisation reserve

Creditor for capital goods

Deposit from employees

141,528,235	109,229,710
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107,894,603	108,356,111
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32,121,685	26,471,083
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<b>281,544,523</b>	<b>244,056,904</b>
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**10. Short-term borrowings**

Working capital borrowings from banks (refer note below)

252,324,628	174,590,694
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<b>252,324,628</b>	<b>174,590,694</b>
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**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
*(All amounts are in rupees, unless otherwise stated)*

Name of bank	As at 31 March 2020	As at 31 March 2019	Details of security
Yes Bank Limited	-	14,400,799	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	-	7,737,451	1. Charge on all movable and immovable fixed assets of the Renal Care center both present and future 2. Exclusive charge on all current assets of the South Kanpur Hospital both present and future 3. Exclusive charge on medical equipment's & movable fixed assets of South Kanpur Hospital
Indusind Bank	29,526,774	2,481,390	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	222,797,339	149,971,054	Same as defined in note 7(a)
Bank of Baroda overdraft account	514	-	Secured against TDR No.-0492719
	<b>252,324,627</b>	<b>174,590,694</b>	

The above loans carry an interest rate ranging from 9.50% p.a. to 10.00% p.a. (previous year 9% p.a. to 10.50%)

**11. Trade payables**

	As at 31 March 2020	As at 31 March 2019
- Total outstanding dues of micro enterprises and small enterprises	5,602,196	8,021,143
- Total outstanding dues of creditors other than micro enterprises and small enterprises	288,895,692	271,902,007
	<b>294,497,888</b>	<b>279,923,150</b>

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

- 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 Group.

Principal amount remaining unpaid	5,602,196	8,021,143
Interest due thereon	233,784	75,717
Interest paid by the Group 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	316,184	82,400
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.	-	-

The above information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per MSMED Act, on the basis of and from the date information available with the Group.

	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>12. Other current liabilities</b>		
Current maturities of long-term debt (refer note 7)	90,342,180	127,230,890
Employee related payables	48,829,934	42,126,024
Consultant fee payable	59,998,961	57,935,109
Consultant fees accrued but not due	4,724,533	6,135,829
Deposit from employees	8,163,219	6,209,266
Interest accrued and due on borrowings	237,186	9,376,697
Interest accrued but not due on borrowings	3,248,854	2,468,476
Advance from customers	103,679,986	80,901,005
Creditor for capital goods	131,938,244	32,930,479
Statutory dues	10,653,199	7,529,559
Other liabilities	16,787,137	31,540,926
	<b><u>478,603,433</u></b>	<b><u>404,384,260</u></b>
<b>13 Provisions</b>		
Provision for gratuity (refer note 36)	3,502,953	-
Provision for compensated absences	4,995,347	3,807,100
Other Provisions [refer note 39(b)]	-	2,000,000
Provision for tax	866,561	-
	<b><u>9,364,861</u></b>	<b><u>5,807,100</u></b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
*(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 improvements	Freehold land	Total Tangible Assets	Intangible Assets	Grand Total
<b>Gross Block</b>												
Balance as at 1 April 2018	20,904,130	65,138,228	9,789,121	32,592,792	58,799,886	1,112,745,578	770,011,567	106,392,562	664,383,046	2,981,265,834	6,566,173	2,987,832,007
Additions during the year	1,132,080	1,858,520	2,106,922	1,664,190	5,440,769	87,453,978	25,858,424	1,964,265	100,000	127,579,127	29,500	127,608,627
Disposals (adjustments) during the year	108,627	118,174	-	610,482	80,150	28,216,560	-	-	-	29,133,892	-	29,133,892
Balance as at 01 April 2019	21,927,603	66,878,574	11,896,043	33,646,500	64,160,005	1,171,982,996	795,869,991	108,356,827	664,483,046	3,079,711,069	6,595,673	3,086,306,742
Additions during the year	1,217,768	344,400	2,139,626	706,606	3,909,164	78,505,635	140,734,777	-	-	227,687,975	13,432,277	241,120,252
Disposals (adjustments) during the year	322,692	2,058,029	544,202	-	1,124,738	1,393,930	-	-	-	5,433,151	-	5,433,151
Balance as at 31 March 2020	22,822,780	65,164,946	13,491,467	34,433,106	66,944,930	1,249,185,101	936,604,766	108,356,827	664,483,046	3,301,965,894	20,027,950	3,321,993,845
<b>Accumulated depreciation</b>												
Balance as at 1 April 2018	10,606,487	18,959,001	6,021,761	8,996,183	23,572,960	245,630,266	80,068,377	986,416	-	406,861,793	117,016	406,978,809
Depreciation charge for the year	3,936,370	6,077,051	1,219,213	3,752,960	5,588,754	80,332,670	11,866,983	790,424	-	128,914,193	1,092,470	130,006,663
Disposals (adjustments) during the year	103,100	111,251	-	526,937	16,981	6,021,708	-	-	-	6,779,977	-	6,779,977
Balance as at 01 April 2019	14,439,756	24,924,801	7,240,975	12,222,207	29,144,733	319,941,227	91,935,360	1,776,840	-	528,996,009	1,209,486	530,205,495
Depreciation charge for the year	4,673,092	5,827,171	1,446,954	3,657,885	5,429,540	81,695,398	12,586,588	1,416,931	-	132,053,352	3,770,464	135,823,816
Disposals (adjustments) during the year	306,520	1,946,978	516,992	-	1,068,301	688,109	-	-	-	4,927,100	-	4,927,100
Balance as at 31 March 2020	18,806,330	28,804,994	8,170,935	15,880,092	33,505,971	400,908,516	104,521,948	3,193,770	-	656,922,261	4,979,950	661,902,211
<b>Net block</b>												
Balance as at 31 March 2019	7,487,907	41,953,773	4,655,068	21,424,293	35,015,772	852,041,769	703,934,631	107,170,987	664,483,046	2,550,715,059	5,386,187	2,556,101,246
Balance as at 31 March 2020	4,916,449	36,359,952	5,320,531	18,553,014	33,439,159	848,246,585	832,082,820	105,763,057	664,483,046	2,645,443,633	15,048,000	2,660,491,633

**Note:**

- The Holding 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, in the current year, 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 Rs. 513,553,915 (previous year Rs. 342,147,301) includes plant and machinery pending installation and building under construction.
- Intangible asset under development amounting to Rs. 4,366,000 includes License fees paid for Process Orchestra and updation of Hospital Management System (HMS) which were pending installation as on 31 March 2020.
- Capitalisation of expenditure

Refer below for details of expenditure of revenue nature which has been capitalised as part of Capital work in progress. Consequently, the relevant expenses disclosed under the respective heads are net of amounts capitalised by the Holding Company except the rent expense which is not recorded in statement of profit and loss as the said property to which this expense relates has not been put to its intended use till date.

Particulars	31 March 2020	31 March 2019
Borrowing costs	13,978,277	3,120,780
Employee benefits expense	23,792,302	23,792,302
Professional fees	3,108,120	4,814,400
Rent expenses	87,998,997	87,998,997
<b>Total</b>	<b>128,877,696</b>	<b>119,726,479</b>



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
*(All amounts are in rupees, unless otherwise stated)*

	As at		As at	
	31 March 2020		31 March 2019	
<b>15. Non-current investments (valued at cost unless stated otherwise)</b>				
<b>Trade investments in equity shares (unquoted)</b>				
<b>Associates</b>				
Regency Nephrocare Private Limited				
1,421,000 (previous year 1,421,000)				
Equity shares of ₹ 10 each fully paid up		14,210,000		14,210,000
Add: Share in opening reserves		255,137		(2,555,120)
Add: Share in current year profits		1,423,453		2,810,257
		<u>15,888,590</u>		<u>14,465,137</u>
		<u>15,888,590</u>		<u>14,465,137</u>
Aggregate amount of unquoted investments		15,888,590		14,465,137
<b>16. Loans and advances (unsecured considered good, unless otherwise stated)</b>				
	<b>As at 31 March 2020</b>		<b>As at 31 March 2019</b>	
	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>
Capital advances	33,114,310	-	48,397,532	-
Security deposits	47,959,894	-	41,701,967	-
Other loans and advances	-	-	-	-
Advance to employees	-	2,812,961	-	2,102,210
Advance to others	2,796,839	601,616	3,191,436	1,093,877
Advance tax [net of provision for taxation ₹ 866,561 (previous year ₹ 9,213,169)]	128,435,615	-	88,644,850	-
Advance to Vendor	-	14,126,619	-	5,124,576
Minimum alternate tax credit receivable [refer note (a) below]	-	-	31,048,213	-
	<u>212,306,658</u>	<u>17,541,196</u>	<u>212,983,998</u>	<u>8,320,663</u>
(a) Minimum alternate tax credit entitlement				
Balance at the beginning of the year		31,048,213		21,835,044
Add: Minimum alternate tax credit entitlement created during the year		-		9,213,169
Less: Minimum alternate tax credit recoverable written off during the year (refer note 31)		31,048,213		-
<b>Balance at the end of the year</b>		<u>-</u>		<u>31,048,213</u>
<b>17. Current investments</b>				
Non trade investments				
(at lower of cost and fair value, quoted)				
4,20,983(Previous year Nil) units of HDFC Low Duration Funds - LT - Growth		17,542,683		-
1,340 (Previous year Nil) units of Axis Treasury Advantage Fund - Regular Plan - Growth		3,000,001		-
Nil (Previous year 14,599) units of HDFC MF Monthly Income Plan - LT - Growth		-		625,000
Nil (Previous year 1,351,296) Reliance Regular savings fund debt option- Growth		9,601,569		51,446,198
Investment in mutual funds (Non trade - Quoted)		<u>30,144,253</u>		<u>52,071,198</u>
Aggregate amount of Marker value of quoted investments		<u>30,604,384</u>		<u>53,721,254</u>
<b>18. Inventories (valued at lower of cost or net realisable value)</b>				
Pharmacy (includes stock -in- transit ₹ 4,349,618 (previous year ₹ Nil)		57,060,114		46,454,565
Surgical, pathological and kitchen items		63,770,248		39,564,960
Other miscellaneous consumable items		9,311,362		5,430,823
		<u>130,141,724</u>		<u>91,450,348</u>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
*(All amounts are in rupees, unless otherwise stated)*

	As at 31 March 2020	As at 31 March 2019		
<b>19. Trade receivables</b>				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, Considered good	191,550,150	185,979,072		
Unsecured, Considered doubtful	27,639,474	15,526,386		
	219,189,624	201,505,458		
Less: Allowances for bad and doubtful debts	27,639,474	15,526,386		
	<b>191,550,150</b>	<b>185,979,072</b>		
Other debts				
Unsecured, considered good	195,865,542	184,065,791		
Unsecured, Considered doubtful	25,082,883	15,511,235		
	<b>220,948,425</b>	<b>199,577,026</b>		
Less : Allowances for bad and doubtful debts	25,082,883	15,511,235		
	195,865,542	184,065,791		
	<b>387,415,692</b>	<b>370,044,863</b>		
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>		
<b>20. Cash and bank balances</b>				
Cash and cash equivalents				
Cash on hand	5,986,439	5,315,762		
Balances with banks in current accounts	29,315,915	151,880,555		
Other bank balances				
Deposits with maturity more than three months but less than twelve months (refer note (i) below)	200,285,185	10,657,741		
	<b>235,587,539</b>	<b>167,854,058</b>		
<b>Note</b>				
(i) Total deposits of ₹ 200,285,185 (previous year ₹ 106,57,741) are pledged with Bank of Baroda , HDFC Bank Ltd and Yes Bank Ltd against fund based and non fund based limit obtained.				
<b>21. Other current assets</b>				
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>		
	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>
Prepaid expenses	2,826,380	15,922,920	-	8,880,542
Unbilled revenue	-	31,274,836	-	35,277,212
Interest accrued and not due on deposits with banks	-	984,273	-	1,015,054
Deferred lease rent recoverable	6,228,030	-	3,573,977	-
Other receivables	-	-	-	118,648
Balances with government authorities	-	2,459,610	-	-
Fixed deposits with maturity of more than 12 months	305,907	-	-	-
	<b>9,360,317</b>	<b>50,641,639</b>	<b>3,573,977</b>	<b>45,291,456</b>
	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>		
<b>22. Revenue from operations</b>				
<b>Revenue from</b>				
Healthcare services	2,355,313,389	2,083,425,299		
Pharmacy and surgical sales	172,911,377	162,731,079		
Nursing school	18,751,473	13,295,400		
	<b>2,546,976,239</b>	<b>2,259,451,778</b>		
<b>23. Other income</b>				
Interest income from banks	1,720,369	6,876,898		
Interest income on income tax refund	2,306,292	2,954,381		
Profit on sale of mutual funds	8,309,092	3,293,531		
Provisions/liabilities no longer required written back	245,526	3,164,805		

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
*(All amounts are in rupees, unless otherwise stated)*

Other non-operating income		
- Income from leasing	5,669,946	5,181,528
- Sale of food items	1,612,642	1,445,782
- Miscellaneous income	2,246,558	2,994,818
	<b>22,110,425</b>	<b>25,911,743</b>
<b>24. Consumption of pharmacy, surgical and kitchen items</b>		
Opening stock	86,019,525	74,426,443
Add : Purchases during the year	557,633,829	508,552,145
	<b>643,653,354</b>	<b>582,978,588</b>
Less : Closing stock	116,446,860	86,019,525
	<b>527,206,494</b>	<b>496,959,063</b>
<b>25. Employee benefits expense</b>		
Salaries, wages and bonus	426,845,216	388,439,488
Contribution to provident and other defined contribution funds	9,344,390	8,946,568
Gratuity expense (refer note 36)	6,210,568	2,578,976
Staff welfare expenses	7,653,387	11,415,614
	<b>450,053,561</b>	<b>411,380,646</b>
<b>26. Finance costs</b>		
Interest expense		
- Term loans	123,569,989	126,221,506
- Vehicle loans	816,498	1,171,983
- Working capital facilities	18,034,153	14,071,234
- Others	251,430	316,242
Other borrowing cost	2,060,500	232,630
	<b>144,732,570</b>	<b>142,013,595</b>
<b>27. Depreciation and amortisation expense (refer note 14)</b>		
Depreciation of tangible assets	132,053,352	128,914,193
Amortization of intangible assets	3,770,464	1,092,470
	<b>135,823,816</b>	<b>130,006,663</b>
	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>
<b>28. Other expenses</b>		
Doctor and other professional fees	603,768,073	519,327,610
Medical Service Fee	67,380,711	71,871,808
Power and fuel	93,251,717	93,584,390
Rent	80,152,708	83,888,321
Repairs and maintenance		
- Buildings	11,859,852	7,449,671
- Plant and machinery	32,894,631	32,149,777
- Vehicles	5,270,377	4,558,137
Office maintenance and others	25,299,901	13,904,399
Insurance	3,823,948	3,823,214
Rates and taxes	7,276,721	7,372,997
Advertisement expenses	10,484,000	12,911,717
Printing and stationery	9,677,993	5,763,676
Corporate social responsibility expenses (refer note 42)	2,421,000	1,310,000
Legal and professional expenses	18,661,233	9,682,861
Payments to auditors (refer note 37)	3,300,000	3,446,270
Security expenses	15,242,186	14,462,710
House keeping expenses	61,438,877	62,672,007
Telephone expense	1,119,130	1,481,196
Travelling expense	7,907,059	7,270,606
Bad debts	55,324,318	62,182,003
Provision for doubtful debts	21,684,736	3,639,654



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
*(All amounts are in rupees, unless otherwise stated)*

Bank charges	1,132,530	1,394,720
Bank Commission	6,102,201	5,541,645
Bill processing and collection Charges	18,651,462	9,095,024
Loss on disposal of fixed assets (net)	906,051	1,409,518
Miscellaneous expenses	4,693,770	5,654,228
	<b>1,169,725,183</b>	<b>1,045,848,159</b>

**29. Exceptional item**

Loss on disposal of property, plant and equipment*	-	19,969,708
	<b>-</b>	<b>19,969,708</b>

\*The amount represents loss on sale of CT scan machine which had been sold in the previous year due to some technical failure. The machine was purchased at cost of ₹ 22,050,000 which has been sold at consideration of ₹ 89,286. The difference between written down value on the date of sale amounting to ₹ 20,058,994 and sale proceeds amounting to ₹ 89,286 had been disclosed as an exceptional item under note 29 in the statement of profit and loss.

**30. Earning per share**

Net profit for the year	77,348,453	30,612,040
Weighted average number of shares outstanding	14,042,779	13,448,065
Basic and diluted earnings per share (in ₹)	5.51	2.28
Nominal value of shares (in ₹)	10.00	10.00

31. The Group has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 to pay tax at lower rate of 22% (excluding surcharge and cess). Accordingly, Minimum alternate tax credit recoverable of ₹ 31,048,213 has been written off and charged to profit and loss account in the current year.

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

**a) Detail of the subsidiaries are as under:**

Name of subsidiary	Country of incorporation	Percentage of ownership	
		Current year	Previous year
Sibling Lifecare Private Limited	India	100%	100%
Regency Institute of Nursing	India	100%	Nil

**b) Details of associate is as under:**

Name of associate	Country of incorporation	Percentage of ownership	
		Current year	Previous year
Regency Nephrocare Private Limited	India	49.00%	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.

**33. Segment reporting**

The Group is engaged in the business of providing healthcare services including trading of pharmaceuticals and surgical items and imparting education on training of nurses. 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 2020**  
*(All amounts are in rupees, unless otherwise stated)*

Reportable segments	Healthcare Services, Pharmacy & Surgical Sales	Nursing School (Institute)	Total 31 March 2020	Healthcare Services, Pharmacy & Surgical Sales	Nursing School (Institute)	Total 31 March 2019
<b>Revenue</b>						
Healthcare services	2,355,313,389	-	2,355,313,389	2,083,425,299	-	2,083,425,299
Pharmacy and surgical sales	172,911,377	-	172,911,377	162,731,079	-	162,731,079
Nursing school	-	18,751,473	18,751,473	-	13,295,400	13,295,400
Other non-operating income	9,529,145	-	9,529,145	9,622,128	-	9,622,128
Other income- Unallocated	-	-	12,581,280	-	-	16,289,615
<b>Total revenue</b>	<b>2,537,753,911</b>	<b>18,751,473</b>	<b>2,569,086,664</b>	<b>2,255,778,507</b>	<b>13,295,400</b>	<b>2,285,363,521</b>
<b>Result</b>						
Segment result	131,755,171	508,590	132,263,761	22,075,560	4,266,782	26,342,342
Less: Unallocated corporate expenses	-	-	3,300,000			3,446,270
<b>Operating profit</b>			<b>128,963,761</b>			<b>22,896,072</b>
<b>Other income (Unallocated)</b>			<b>12,581,280</b>			<b>16,289,615</b>
Current tax			866,561			9,213,169
Tax relating to earlier year			2,569,446			448,350
Deferred tax			31,135,820			10,935,554
Minimum Alternate Tax (MAT) recoverable written Off			31,048,213			(9,213,169)
<b>Net profit after tax</b>			<b>75,925,000</b>			<b>27,801,783</b>
<b>Other information</b>						
Segment assets	3,889,786,617	249,238,044	4,139,024,661	3,579,673,680	176,196,220	3,755,869,900
Unallocated assets			128,435,615			120,023,462
<b>Total assets</b>			<b>4,267,460,276</b>			<b>3,875,893,362</b>
Segment liabilities	2,407,578,989	217,501,041	2,625,080,030	2,196,461,003	145,557,507	2,342,018,510
Unallocated liabilities			76,493,679			45,357,858
<b>Total liabilities</b>			<b>2,701,573,709</b>			<b>2,387,376,368</b>
<b>Capital expenditure</b> (including capital work in progress and movement in creditors for capital goods and capital advances) Unallocated capital expenditure	263,612,484	141,207,873	404,820,357	216,095,315	166,143,016	382,238,331
<b>Depreciation</b>						
<b>On fixed assets</b>	<b>133,853,439</b>	<b>1,970,377</b>	<b>135,823,816</b>	<b>128,768,143</b>	<b>1,238,520</b>	<b>130,006,663</b>
<b>Other non-cash adjustments</b>	<b>83,219,622</b>	<b>-</b>	<b>83,219,622</b>	<b>68,243,453</b>	<b>-</b>	<b>68,243,453</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 2020**  
*(All amounts are in rupees, unless otherwise stated)*

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

S. No	Name of the entity	Net assets		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	99.90%	1,564,308,222	96.47%	74,619,213
Subsidiary					
2	Sibling Lifecare Private Limited	0.05%	799,312	2.75%	2,126,463
3	Regency Institute of Nursing	0.08%	1,223,801	0.29%	223,801
Associate (as per equity method)					
4	Regency Nephrocare Private Limited	0.11%	1,678,591	1.84%	1,423,453
Subtotal		100.14%	1,568,009,926	100.00%	77,348,453
Less: Effects of intercompany eliminations/adjustments		-0.14%	(2,144,479)	0.00%	-
Total		100.00%	1,565,865,447	100.00%	77,348,453



**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
*(All amounts are in rupees, unless otherwise stated)*
**35. 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. (a) Mr. Abhishek Kapoor (b) Mr. Revant Kapoor
- Wife of Mr. Abhishek Kapoor and Mr. Revant Kapoor	4. (a) Mrs. Janhvi Kapoor (b) Mrs. Shreya Kapoor
Associate	Regency Nephrocare Private Limited
Enterprises owned or significantly influenced by KMP or their relatives	Amrita Charitable Trust

**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 2020</b>	<b>For the year ended 31 March 2019</b>
<b>Lease rent income</b>		
Regency Nephrocare Private Limited		
- from medical equipment	-	1,063,822
- from building	4,820,041	4,513,684
Amrita Charitable trust		
- from building	-	180,002
<b>Maintenance service for building</b>		
- Regency Nephrocare Private Limited	212,542	212,542
<b>Fee for medical services received</b>		
- Regency Nephrocare Private Limited	66,033,096	71,898,575
- Dr. Rashmi Kapoor	19,925,177	16,570,866
<b>Remuneration</b>		
- Mr. Anant Ram Kapoor	180,000	180,000
- Dr. Atul Kapoor	10,864,996	10,759,673
- Dr. Rashmi Kapoor	8,610,000	8,545,161
- Mr. Arun Kapoor	2,141,563	1,706,250
- Mr. Abhishek Kapoor	4,500,000	4,500,000
- Mrs. Janhvi Kapoor	800,000	626,378
<b>Share in investigation charges</b>		
- Dr. Rashmi Kapoor	4,716,000	3,643,551
<b>Lease rent expense</b>		
- Anant Ram Kapoor	8,195,997	7,805,700
- Dr. Atul Kapoor	907,500	990,000
- Dr. Rashmi Kapoor	3,900,000	3,900,000

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
**Payments made on behalf of**

-Regency Nephrocare Private Limited	2,573,711	1,803,153
-Amrita Charitable Trust	113,302	3,163
- Dr. Atul Kapoor	2,741,000	-
-Dr. Rashmi Kapoor	2,741,000	-

**Corporate social responsibility expenses**

- Amrita Charitable Trust	2,400,000	1,310,000
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**c) Details of outstanding balances of the related parties in ordinary course of business are as follows:-**

	As at 31 March 2020	As at 31 March 2019
<b>Payable for medical services received</b>		
- Dr. Rashmi Kapoor	4,379,378	3,393,170
- Regency Nephrocare Private Limited	21,067,152	45,235,022
<b>Rent receivable</b>		
- Regency Nephrocare Private Limited	1,865,256	8,284,050
- Amrita Charitable Trust	-	89,976
<b>Rent Payable</b>		
- Dr. Rashmi Kapoor	292,500	-
<b>Receivable for expenses incurred on behalf of</b>		
- Regency Nephrocare Private Limited	-	5,640,085
- Amrita Charitable Trust	25,747	2,475
<b>Receivable for sale of pharmacy and surgical items</b>		
- Matrix Merchandise Trading Private Limited	8,981,347	8,981,347
<b>Security deposit receivable</b>		
- Dr. Rashmi Kapoor	5,825,000	5,825,000
<b>Advance given</b>		
- Mrs. Janhvi Kapoor	-	-
- Dr. Rashmi Kapoor	-	11,457
- Dr. Atul Kapoor	-	403,374
- Mr. Abhishek Kapoor	-	262,205
-Shri Anant Ram Kapoor	602,432	14,976
<b>Investments in equity shares</b>		
- Regency Nephrocare Private limited	14,210,000	14,210,000

**d) Other arrangements**

Personal guarantee given by Dr. Atul Kapoor and Dr. Rashmi Kapoor for loans the outstanding balance of which is ₹ 732,906,740 (previous year ₹ 700,274,645) obtained by the Holding Company from various banks.

Personal guarantee given by Mr. Anant Ram Kapoor for loans the outstanding balance of which is ₹ 732,906,740 (previous year ₹ 283,318,405) obtained by the Holding Company from various banks.

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
**36. 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 2020	For the year ended 31 March 2019
<b>Change in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	18,597,441	15,649,737
Current service cost	2,646,943	2,190,691
Interest cost	1,326,404	1,192,927
Actuarial loss	3,653,540	(435,914)
Benefit Payments	(2,742,840)	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>23,481,488</b>	<b>18,597,441</b>
<b>Assets and liabilities recognised in the balance sheet</b>		
Present value of defined benefit obligation	23,481,488	18,597,441
Less: Fair value of plan assets	19,978,535	18,925,132
Liability/(assets) recognised in the balance sheet	<b>3,502,953</b>	<b>(327,691)</b>
<b>Recognised under:</b>		
- Long-term provision	-	-
- Short-term provision	3,502,953	-
	<b>3,502,953</b>	<b>-</b>
<b>Expense recognised in the statement of profit and loss</b>		
Current service cost	2,646,943	2,347,871
Interest cost	1,326,404	1,192,927
Expected return on plan assets	(1,443,262)	(791,048)
Actuarial loss/ (Gains)	3,680,483	(170,774)
Total expense	6,210,568	2,578,976
Actuarial assumptions		
Discount rate	6.70%	7.70%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life (years)	34.19	33.87
<b>Demographic assumptions</b>		
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.Modified	Indian Assured Lives Mortality (2006-08) Ult.Modified
Retirement age	70	70
Withdrawal rates	2.00%	2.00%

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Defined benefit obligation	3,502,953	(327,691)	13,502,265	21,124,455	18,687,336
Experience adjustment on plan liabilities	3,653,540	(435,914)	(10,529,831)	(2,118,816)	422,336

**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.



**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
**Expenditure recognised in respect of defined contribution plan is as under:**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Employee provident fund paid to the authorities	6,144,678	4,593,303
Employee state insurance paid to the authorities	3,199,712	4,353,265

**37. Payments to auditors\***

- Statutory audit fee	3,123,000	3,068,000
- Tax audit fees	177,000	-
- Out of pocket expenses	-	378,270
	<b>3,300,000</b>	<b>3,446,270</b>

\* Including Goods & service tax

**38. Capital commitments**

- Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): ₹ 50,880,013 (previous year ₹ 283,577,219)

**Other commitments**

(a) The Holding 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 ₹ 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. Subsequent to year end, letter of intend is signed between parties to increase the period from 9 years to 12 years. The total amount of capital expenditure remaining unexecuted is ₹ 15,000,000. The Holding Company expects to receive the possession of the same by 31 March, 2021.

**39. (a) Contingent liabilities and litigations#**

	As at 31 March 2020	As at 31 March 2019
Claims against the Group not acknowledged as debt [refer note (i) below]	39,875,167	37,488,137
Disputed demand of Customs Department [refer note (ii) below]	1,923,000	1,923,000
Bank guarantee furnished to Director, CGHS and ECHS, Railways and Regency School of Nursing	6,733,400	6,653,400
Bonus [refer note (iii) below]	3,502,616	3,502,616
Income taxes (AY 2016-17 )	263,863	263,863
Foreign letter of credit (USD 108,000)	-	7,512,480
Inland letter of credit & delivery orders	15,324,868	-

**Note**

(i) Includes total amount of claims under various legal cases alleging medical negligence against the hospital as on 31 March 2020 is ₹ 39,875,167 (previous year ₹ 37,488,137). The Group 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 Group.

(ii) The Group has 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.

(iii) 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 Group has not recognized the differential amount of bonus of ₹ 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.

(iv) 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 Group in respect of these matters.

# The Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in scope of 'basic wages' and thus, will be subject to provident fund contributions. Management believes that this will not result in any material liability on the Group which is also the view of a PF consultant engaged by the management.

#### **(b) Other matters**

The adjudication authority of Securities and Exchange Board of India (SEBI) vide its order dated 29 September 2018 imposed penalties on the Holding Company and its promoters under sections 15HA and 15-A(b) of the SEBI Act, 1992, out of which the penalty aggregating ₹ 2,000,000 was attributable to the Holding Company. Thereafter, the Securities Appellate Tribunal ("SAT"), vide its Order dated 3 January 2020, has quashed and set aside the order of SEBI imposing penalty of ₹ 500,000 and vide its order dated 3 September 2020 has set aside the SEBI order imposing penalty of ₹ 1,500,000 thereby maintaining status quo for the Holding Company and its promoter and directors and the said matter has been remanded back to SEBI for further investigation and consideration of additional documents.

#### **40. Operating lease**

The Group 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 2020 and 31 March 2019 aggregate to ₹ 5,669,946 and ₹ 5,181,528 respectively.

The Group is a lessee under various cancellable and non-cancellable operating leases. Rental expense for operating leases for the years ended 31 March 2020 and 31 March 2019 was ₹ 80,152,708 and ₹ 83,888,321 respectively. The Group has executed non-cancellable operating leases. Expected future minimum lease payments in respect of such leases are as follows:

	As at 31 March 2020	As at 31 March 2019
<b>The minimum lease payments for the lease term are as under:</b>		
Not later than one year	90,950,080	80,354,547
Later than one year but not later than five years	509,447,436	509,693,491
Later than five years	228,241,008	321,437,765
<b>The minimum lease receipts for the lease term are as under:</b>		
Not later than one year	6,529,321	4,016,394
Later than one year but not later than five years	35,125,730	23,302,740
Later than five years	9,767,816	2,625,534

Regency Hospital Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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

**i) Cost of materials consumed**

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Value	Percentage	Value	Percentage
Indigenous	527,206,494	100%	496,959,063	100%
Imported	-	-	-	-
<b>Total</b>	<b>527,206,494</b>	<b>100%</b>	<b>496,959,063</b>	<b>100%</b>

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

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	EURO	₹	EURO	₹
Professional fees	1,210	113,988	5,547	458,200
	For the year ended 31 March 2020		For the year ended 31 March 2019	
	USD	₹	USD	₹
Import of Capital Goods	278,000	20,799,888	Nil	Nil

**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 2020		For the year ended 31 March 2019	
	USD	₹	USD	₹
Payable in foreign currency	235,500	17,739,038	-	-

**42. In accordance with the provisions of section 135 of the Companies Act 2013, the Board Group has constituted a Corporate Social Responsibility (CSR) Committee. The details of CSR expenditure are summarised below:**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent by the group during the year ended 31 March 2020 and 31 March 2019 (Amount in ₹)	1,051,878	644,241
Amount spent during the year ending on 31 March 2020 and 31 March 2019		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above (Education)	2,421,000	1,310,000

**43. During the year, w.e.f. 25 October 2019, the operations of Nursing School have been transferred from Regency Hospital Limited to separate legal entity 'Regency Institute of Nursing' which is the wholly owned subsidiary company of Regency Hospital Limited.**

**44. World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India has declared lockdown on March 23, 2020. The Group is engaged in the business of running hospital and providing healthcare services, trading of pharmaceuticals and surgical items and imparting education on training of nurses. In case of Healthcare services and trading of pharmaceuticals and surgical items, being essential services, there has been no suspension of such operations during the lockdown. The operations relating to imparting training to nurses witnessed a temporary suspension so as to adhere to the lockdown restrictions but subsequently resumed its operations post ease in the lockdown restrictions. The Group has further taken steps for smooth functioning of its**



**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

operations during the pandemic relating to COVID-19. The Group has considered internal and certain external sources of information including economic forecasts in determining the impact of this pandemic on various elements on its financial statements. Basis above, the management has estimated its future cash flows for the Group which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Group believes that there is no impact on its ability to meeting its liabilities as and when they fall due. The Group expects to recover the carrying amount of its assets and have sufficient liquidity for business operations for at least another twelve months from the date of approval of this financial statement. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions and impact on its business.

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

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rohit Arora**

Partner

M.No- 504774

**Place : Gurugram**

Date : 26 September 2020

For and on behalf of the Board of Directors of

**Regency Hospital Limited**

Sd/-

**Dr. Atul Kapoor**

Managing Director

DIN- 01449229

Sd/-

**Ankita Gupta**

Company Secretary

**Place : Kanpur**

Date : 26 September 2020

Sd/-

**Dr. Rashmi Kapoor**

Director

DIN- 01818323

Sd/-

**Deepak Gupta**

Chief Financial Officer

## Independent Auditor's Report

### To the Members of Regency Hospital Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Regency Hospital Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, 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.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view, in conformity 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), of the state of affairs of the Company as at 31 March 2020, and its profit and its cash flows for the year ended on that date.
3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance



with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

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

11. Based on our audit, As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. 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 A a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 accompanying standalone financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - f) We have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26 September 2020 as per Annexure B expressed unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 20504774AAAALA3890

**Place: Gurugram**

**Date: 26 September 2020**

**Annexure A 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 2020**

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 'Property, plant and equipment') are held in the name of the Company.
- (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, duty of customs, Goods and Service 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, Goods and Service tax and duty of customs on account of any dispute, are as follows:

**Statement of Disputed Dues**

Name of the statute	Nature of dues	Amount(₹)	Amount (₹) paid	Protest (₹) Period to under amount relates	Forum where which the 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 bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). The term loans obtained during the year have not been utilised by the Company.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where

applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 20504774AAAAALA3890

Place: Gurugram

Date: 26 September 2020

**Annexure B 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 2020**

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements 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 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note of 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial

controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements 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 with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note of Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI').

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Rohit Arora**

Partner

Membership No.: 504774

UDIN: 20504774AAAALA3890

**Place: Gurugram**

**Date: 26 September 2020**

**Standalone Balance Sheet as at 31 March, 2020**

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	5	140,427,790	140,427,790
Reserves and surplus	6	<u>1,423,880,433</u>	<u>1,349,261,216</u>
		<b><u>1,564,308,223</u></b>	<b><u>1,489,689,006</u></b>
<b>Non-current liabilities</b>			
Long-term borrowings	7	1,308,744,697	1,233,256,402
Deferred tax liabilities (net)	8	77,307,456	46,108,927
Other long-term liabilities	9	<u>278,315,503</u>	<u>243,959,295</u>
		<b><u>1,664,367,656</u></b>	<b><u>1,523,324,624</u></b>
<b>Current liabilities</b>			
Short-term borrowings	10	252,324,627	174,590,694
Trade payables	11		
- Total outstanding dues of micro enterprises and small enterprises		4,905,410	8,021,143
- Total outstanding dues of creditors other than micro enterprises and small enterprises		247,052,048	271,902,007
Other current liabilities	12	467,820,225	404,023,777
Short-term provisions	13	<u>8,498,300</u>	<u>5,807,100</u>
		<b><u>980,600,610</u></b>	<b><u>864,344,721</u></b>
<b>Total</b>		<b><u>4,209,276,489</u></b>	<b><u>3,877,358,351</u></b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Tangible assets	14	2,645,443,633	2,550,715,059
Intangible assets	14	15,048,000	5,386,187
Capital work-in-progress	14	513,553,915	342,147,301
Intangible assets under development	14	4,366,000	11,589,117
Non-current investments	15	15,310,000	14,310,000
Long-term loans and advances	16	212,220,289	212,929,108
Other non-current assets	21	<u>9,054,412</u>	<u>3,573,978</u>
		<b><u>3,414,996,249</u></b>	<b><u>3,140,650,750</u></b>
<b>Current assets</b>			
Current investments	17	30,144,253	52,071,198
Inventories	18	107,934,369	91,450,348
Trade receivables	19	368,737,245	371,744,875
Cash and bank balances	20	221,801,733	167,829,062
Short-term loans and advances	16	17,515,611	8,320,663
Other current assets	21	<u>48,147,029</u>	<u>45,291,455</u>
		<b><u>794,280,240</u></b>	<b><u>736,707,601</u></b>
<b>Total</b>		<b><u>4,209,276,489</u></b>	<b><u>3,877,358,351</u></b>
Summary of significant accounting policies		4	
The accompanying notes are an integral part of the Standalone financial statements			
This is the Standalone Balance Sheet referred to in our report of even date			

**For Walker Chandlok & Co LLP**  
 Chartered Accountants  
 Firm's Registration No.: 001076N/N500013  
 Sd/-  
**Rohit Arora**  
 Partner  
 M.No- 504774

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

Sd/-  
**Dr. Atul Kapoor**  
 Managing Director  
 DIN- 01449229  
 Sd/-  
**Ankita Gupta**  
 Company Secretary

Sd/-  
**Dr. Rashmi Kapoor**  
 Director  
 DIN- 01818323  
 Sd/-  
**Deepak Gupta**  
 Chief Financial Officer

Place : Gurugram  
 Date : 26 September 2020

Place : Kanpur  
 Date : 26 September 2020

### Standalone Statement of Profit and Loss

(All amounts are in rupees, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue</b>			
Revenue from operations	22	2,535,789,989	2,259,451,778
Other income	23	25,169,324	25,917,643
<b>Total revenue</b>		<b>2,560,959,313</b>	<b>2,285,369,421</b>
<b>Expenses</b>			
Consumption of pharmacy, surgical and kitchen items	24	531,355,936	496,959,063
Employee benefits expense	25	445,513,754	411,380,646
Finance costs	26	144,702,263	142,011,914
Depreciation and amortisation expense	27	135,823,816	130,006,662
Other expenses	28	1,164,128,142	1,044,524,394
<b>Total expenses</b>		<b>2,421,523,911</b>	<b>2,224,882,679</b>
<b>Profit before tax and exceptional items</b>		<b>139,435,402</b>	<b>60,486,742</b>
Exceptional item	29	-	19,969,708
<b>Profit before tax</b>		<b>139,435,402</b>	<b>40,517,034</b>
Tax expense			
- Current tax		-	9,213,169
- Current tax relating to earlier year		2,569,444	448,350
- Deferred tax		31,198,529	11,686,622
- Minimum Alternate Tax (MAT) credit entitlement		-	(9,213,169)
- Minimum Alternate Tax (MAT) recoverable written off (refer note 40)		31,048,213	-
		64,816,186	12,134,972
<b>Profit for the year</b>		<b>74,619,216</b>	<b>28,382,062</b>
<b>Earnings per equity share (nominal value Rs. 10)</b>	30		
Basic and diluted		5.31	2.11
Summary of significant accounting policies 4			
The accompanying notes are an integral part of the Standalone financial statements			
This is the Standalone Statement of Profit and Loss referred to in our report of even date			

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rohit Arora**

Partner

M.No- 504774

For and on behalf of the Board of Directors of

**Regency Hospital Limited**

Sd/-

**Dr. Atul Kapoor**

Managing Director

DIN- 01449229

Sd/-

**Ankita Gupta**

Company Secretary

Sd/-

**Dr. Rashmi Kapoor**

Director

DIN- 01818323

Sd/-

**Deepak Gupta**

Chief Financial Officer

**Place : Gurugram**

Date : 26 September 2020

**Place : Kanpur**

Date : 26 September 2020



## Cash Flow Statement for the year ended 31 March 2020

(All amounts are in rupees, unless otherwise stated)

PARTICULARS	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A Cash flow from operating activities</b>		
Profit before tax	139,435,402	40,517,033
<b>Adjustments for:</b>		
Depreciation and amortisation expense	135,823,816	130,006,663
Interest expense	144,702,263	142,011,914
Interest income	(1,714,461)	(6,876,898)
Loss on sale of property, plant and equipment (net)	906,051	21,379,226
Profit on sale of current investments	(8,309,092)	(3,293,531)
Provision for doubtful debts	21,684,736	3,639,654
Bad debts	54,794,818	62,182,003
Provisions /liabilities no longer required written back	(245,526)	(3,164,805)
<b>Operating profit before working capital changes</b>	<b>487,078,007</b>	<b>386,401,259</b>
Adjustments for movement in:		
(Decrease)/increase in trade payables	(27,965,691)	93,504,804
Increase/(decrease) in provisions and other liabilities	134,214,367	(47,510,959)
(Increase) in trade receivables	(73,471,924)	(164,895,907)
(Increase)/decrease in loans and advances and other assets	(9,375,819)	2,607,864
(Increase) in inventories	(16,484,021)	(14,460,444)
<b>Cash generated from operations</b>	<b>493,994,919</b>	<b>255,646,617</b>
Less: Direct taxes paid (net)	(40,079,703)	(21,481,280)
<b>Net cash generated from operating activities</b>	<b>453,915,216</b>	<b>234,165,337</b>
<b>B Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including capital work in progress and movement in creditors for capital goods and capital advances)	(404,788,880)	(382,238,331)
Proceeds from sale of property, plant and equipment	-	974,691
Interest received	730,188	5,861,844
Purchase of non-current investments	(1,000,000)	-
Purchase of current investments	(376,087,464)	(92,825,000)
Proceeds from sale of current investments	406,323,502	91,101,385
Investment in bank deposits (having original maturity of more than three months)	(189,627,444)	167,062,865
<b>Net cash (used) in investing activities</b>	<b>(564,450,098)</b>	<b>(210,062,546)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	-	135,000,078
Proceeds from short-term borrowings (net)	77,733,932	25,932,868
Proceeds from long-term borrowings	155,908,403	212,429,988
Repayment of long-term borrowings	(117,308,817)	(134,390,058)
Interest paid	(141,453,409)	(139,543,438)
<b>Net cash (used)/generated from financing activities</b>	<b>(25,119,891)</b>	<b>99,429,438</b>
<b>Net (decrease) /increase in cash and cash equivalents</b>	<b>(135,654,773)</b>	<b>123,532,229</b>
Cash and cash equivalents at the beginning of the year	157,171,321	33,639,092
<b>Cash and cash equivalents at the end of the year</b>	<b>21,516,548</b>	<b>157,171,321</b>

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Components of cash and cash equivalents</b>		
Cash and bank balances (refer note 20)	221,801,733	167,829,062
Less: Deposits with maturity more than three months but less than twelve months	(200,285,185)	(10,657,741)
	<b>21,516,548</b>	<b>157,171,321</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).

Summary of significant accounting policies

4

The accompanying notes are an integral part of the Standalone financial statements

This is the Standalone Cash Flow Statement referred to in our report of even date

**For Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rohit Arora**

Partner

M.No- 504774

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

Sd/-

**Dr. Atul Kapoor**

Managing Director

DIN- 01449229

Sd/-

**Ankita Gupta**

Company Secretary

Sd/-

**Dr. Rashmi Kapoor**

Director

DIN- 01818323

Sd/-

**Deepak Gupta**

Chief Financial Officer

**Place : Gurugram**

Date : 26 September 2020

**Place : Kanpur**

Date : 26 September 2020

## 1. Corporate information

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.

## 2. Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Rules, 2006 (as amended from time to time). The financial statements have been prepared on going concern on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### Current-non-current classification

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 Schedule III to the Companies Act, 2013.

### **Assets:**

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

### **Liabilities:**

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products 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 12 months for the purpose of current and non-current classification of assets and liabilities.

## 3. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (Indian GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the 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



**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

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. 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.

**d. 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.

**e. 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.

**f. 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.

#### **g. 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.

#### **h. 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.

#### **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. Income taxes**

Tax expenses comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.



At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

#### **k. 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.

#### **l. 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.

#### **m. Contingent liabilities and provisions**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Depending upon the facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debts are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter. Possible future or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, has been disclosed as a contingent liability in the financial statements.

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

#### **n. Earnings per share:**

Basic earnings/loss per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue and share split.



For the purpose of calculating diluted earnings/loss per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**o. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
**5. Share capital**

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	55,000,000	550,000,000	55,000,000	550,000,000
	<b>55,000,000</b>	<b>550,000,000</b>	<b>55,000,000</b>	<b>550,000,000</b>
<b>Issued, subscribed and fully paid-up</b>				
Equity shares of ₹ 10 each	14,042,779	140,427,790	14,042,779	140,427,790
	<b>14,042,779</b>	<b>140,427,790</b>	<b>14,042,779</b>	<b>140,427,790</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>	<b>14,042,779</b>	<b>140,427,790</b>	<b>13,448,065</b>	<b>134,480,650</b>
Add : Issued during the year (Refer note 6(a))	-	-	594,714	5,947,140
<b>Balance at the end of the year</b>	<b>14,042,779</b>	<b>140,427,790</b>	<b>14,042,779</b>	<b>140,427,790</b>

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

	Number	% of shareholding	Number	% of shareholding
Dr. Rashmi Kapoor	3,433,502	24.45%	3,433,502	24.45%
Dr. Atul Kapoor	2,702,260	19.24%	2,702,260	19.24%
Atul Kapoor (HUF)	1,182,523	8.42%	1,182,523	8.42%
Anant Ram Kapoor	886,252	6.31%	886,252	6.31%
International Finance Corporation	2,802,217	19.95%	2,802,217	19.95%
Kois Holdings	908,590	6.47%	908,590	6.47%
Healthquad Fund	770,832	5.49%	770,832	5.49%

**6. Reserves and surplus**

	As at 31 March 2020	As at 31 March 2019
<b>Securities premium reserve</b>		
Balance at the beginning and end of the year	981,255,572	852,202,634
Add: Additions during the year [refer note (a)]	-	129,052,938
<b>Total A</b>	<b>981,255,572</b>	<b>981,255,572</b>
<b>General reserve</b>		
Balance at the beginning of the year	118,740,101	118,740,101
Add : Transferred from the statement of profit and loss	300,000,000	-
<b>Balance at the end of the year (B)</b>	<b>418,740,101</b>	<b>118,740,101</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	249,265,544	220,883,482
Add : Transferred from the statement of profit and loss	74,619,216	28,382,061
Less : Transferred to General Reserve	300,000,000	-
<b>Balance at the end of the year (C)</b>	<b>23,884,760</b>	<b>249,265,544</b>
<b>Total reserves and surplus (A+B+C)</b>	<b>1,423,880,433</b>	<b>1,349,261,216</b>

(a) During previous financial year 2018-19 the Company had allotted 594,714 equity shares to Dr. Rashmi Kapoor, International Finance Corporation, Koils 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]	1,390,683,857	1,349,064,265
Vehicle loans from banks [refer note (b) below]	1,975,000	776,416
Vehicle loans from others (NBFC) [refer note (c) below]	6,428,020	10,427,709
	1,399,086,877	1,360,268,390
Less: Current maturities of long-term borrowings (refer note 12)	90,342,180	127,011,988
<b>Total A</b>	<b>1,308,744,697</b>	<b>1,233,256,402</b>

**Unsecured**

Term Loans financial institution [refer note (d) below]	-	218,902
	-	218,902
Less: Current maturities of long-term borrowings (refer note 12)	-	218,902
<b>Total B</b>	<b>-</b>	<b>-</b>
<b>Grand Total C (A+B)</b>	<b>1,308,744,697</b>	<b>1,233,256,402</b>



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(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)**
**(a) Secured term loans from banks and financial institutions**

Name of bank / Financial Institution	As at 31 March 2020	As at 31 March 2019	Repayment terms	Details of security
HDFC Bank	6,876,926	10,964,502	06 Equated Monthly Instalments (EMIs) of ₹211,614 per month beginning from 20 August 2015 and thereafter 68 EMIs of ₹427,274 per month till 20 September 2021	Secured by way of charge on movable plant and machinery, and other fixed assets.
* Yes Bank Limited	-	111,952,109	Duration:- 96 months (including 12 months moratorium) 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 ₹10,951,827 per quarter beginning from 31 December 2019 and thereafter 4 quarterly instalment of ₹12,168,708 per quarter beginning from 31 December 2020 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	-	22,946,987	Duration: 96 Months (including 12 Months Moratorium), 4 quarterly instalment of ₹798,156 per quarter beginning from 30th September 2015 and 8 quarterly instalment of ₹1,197,234 per quarter. Beginning from 30th September 2016 and 4 quarterly Instalment of ₹ 1,396,773 per quarter beginning from 30th September 2018 and 4 quarterly instalment of ₹ 1,596,312 per quarter beginning from 30th 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	-	30,000,000	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 equipment 4. Additionally secured by personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
* Yes Bank Limited	-	122,057,144	Duration: 102 Months (including 18 Months Moratorium), 28 quarterly instalment of ₹50,85,714 per quarter beginning from 19th May, 2018 till 17th February, 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	-	7,868,646	36 Equated Monthly Instalment (EMI's) of ₹ 14,00,036, beginning from 1st October 2016 and ending on 1st 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	31,777,054	37,860,857	Duration: 96 Months (including 12 Months Moratorium), 84 Equated Monthly Instalments of ₹ 7,62,425 beginning from 1st October, 2017 to 1st September, 2024.	3. Hypothecation and exclusive charge on plant & machinery & other assets of the company (both current and future)

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(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)**
**(a) Secured term loans from banks and financial institutions**

Name of bank / Financial Institution	As at 31 March 2020	As at 31 March 2019	Repayment terms	Details of security																						
HDFC Bank	62,451,150	71,062,065	Duration: 102 Months (including 18 Months Moratorium), 84 Equated Monthly Instalments of ₹ 1,340,528 beginning from 1st April, 2018 and ending on 1st March, 2025.	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	61,595,906	72,334,332	101 Equated Monthly Instalment (EMI's) of ₹ 1,383,869 ,beginning from 5th September, 2016 and ending on 5th February 2025.																							
HDFC Bank	32,212,265	35,621,773	100 Equated Monthly Instalments (EMIs) beginning from 20th January 2018 to 20th March 2026 details as follows:- EMI of ₹ 556,708 from 20th January 2018 to 20th June 2018. EMI of ₹ 587,347 from 20th July 2018 to 20th March 2026.	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. Hypothecation and exclusive charge on plant & machinery & other assets of the company RHL-MSH facility (Both current & future) 5. Co-applicancy/Personal guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor and Mr. A.R. Kapoor. SPDC with SI for all activities as per bank requirement from company and promoters. 6. The customer has to ensure insurance cover against all risk on the equipment financed : The said policy to be endorsed in the name of Hdfc Bank Ltd. 7. Hedging of Fx exposures as appointed by the bank , General Insurance for all assets to be lien marked in favour 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, Kanpur b) M/s Abhirev Healthcare Pvt Ltd. (amalgamated with Regency Hospital Ltd.)- 117/138 B-2 Sarvodaya Nagar Kanpur UP c) 117/101, K-Block Kakadeo Hospital Kanpur, UP.																						
HDFC Bank	54,438,539	58,570,733	102 Equated monthly Instalments starting from 1st April 2018 and ending on 1st Sept 2026. Details of EMI is as follows:- EMI of ₹ 757,122 beginning from 1st April 2018 ending on 1st July 2018. EMI of ₹ 393,081 beginning from 1st August 2018 ending on 1st November 2018. EMI of ₹ 493,281 beginning from 1st December 2018 ending on 1st March 2019. EMI of ₹ 897,297 beginning from 1st April 2019 ending on 1st September 2026.																							
* Yes Bank Limited	-	600,000,000	Term loan of 60 Cr. With tenor of 12 years. Repayment in quarterly structured instalments after a 3 year moratorium from date of 1st disbursement, as per repayment schedule given below: <table><tr><th>Year</th><th>Repayment</th></tr><tr><td>1 to 3</td><td>Nil</td></tr><tr><td>4</td><td>1% of TL with interest</td></tr><tr><td>5</td><td>4% of TL with interest</td></tr><tr><td>6</td><td>5% of TL with interest</td></tr><tr><td>7</td><td>7% of TL with interest</td></tr><tr><td>8</td><td>8% of TL with interest</td></tr><tr><td>9</td><td>10% of TL with interest</td></tr><tr><td>10</td><td>20% of TL with interest</td></tr><tr><td>11</td><td>20% of TL with interest</td></tr><tr><td>12</td><td>25% of TL with interest</td></tr></table>	Year	Repayment	1 to 3	Nil	4	1% of TL with interest	5	4% of TL with interest	6	5% of TL with interest	7	7% of TL with interest	8	8% of TL with interest	9	10% of TL with interest	10	20% of TL with interest	11	20% of TL with interest	12	25% of TL with interest	1. Exclusive charge on Land & Building located at A-4 Sarvodya Nagar, Kanpur. 2. Exclusive charge on all movable fixed and current assets (both present & future). 3. Unconditional and irrevocable corporate guarantee from HCG Ltd. For 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.
Year	Repayment																									
1 to 3	Nil																									
4	1% of TL with interest																									
5	4% of TL with interest																									
6	5% of TL with interest																									
7	7% of TL with interest																									
8	8% of TL with interest																									
9	10% of TL with interest																									
10	20% of TL with interest																									
11	20% of TL with interest																									
12	25% of TL with interest																									

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(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)**
**(a) Secured term loans from banks and financial institutions**

Name of bank / Financial Institution	As at 31 March 2020	As at 31 March 2019	Repayment terms	Details of security
* Yes Bank Limited		65,000,000	36 structured quarterly instalments after a initial moratorium period of 38 months ending in June'2021 <b>Year</b> 1 to 3 Nil 4 1% of TL with interest 5 4% of TL with interest 6 5% of TL with interest 7 7% of TL with interest 8 8% of TL with interest 9 10% of TL with interest 10 20% of TL with interest 11 20% of TL with interest 12 25% of TL with interest	1. Exclusive charge on all immovable fixed assets and moveable fixed assets of the Renal Care centre, Kanpur both present and future. 2. Exclusive charge on Current assets of the Renal Care centre, Kanpur both present and future. 3. First charge on specific equipment located at A-2 Sarvodaya Nagar Kanpur as mentioned below: Philipps Inertia 1.5t Mri System -1 Qty Ventilator Siemens -5 Qty Cath lab -1 Qty 4. Exclusive charge on current assets of the South Kanpur Hospital both present and future. 5. Exclusive charge on medical equipment& and moveable fixed assets of South Kanpur Hospital both present and future. 6. Exclusive charge by way of hypothecation of CA & MFA of nursing college both present and future. 7. Exclusive charge by way of equitable mortgage on Land & building of Nursing college both present and future 8. Personal Guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor.
Yes Bank Limited	33,514,088	7,825,117	84 Equated Monthly Instalment (EMI's) of ₹ 133,836	Hypothecation on Original Invoices and Insurance Copies
* Yes Bank Limited	-	95,000,000.00	36 structured quarterly instalments after a initial moratorium period of 38 months ending in June'2021 <b>Year</b> 1 to 3 Nil 4 1% of TL with interest 5 4% of TL with interest 6 5% of TL with interest 7 7% of TL with interest 8 8% of TL with interest 9 10% of TL with interest 10 20% of TL with interest 11 20% of TL with interest 12 25% of TL with interest	1. Exclusive charge on all immovable fixed assets and moveable fixed assets of the Renal Care centre, Kanpur both present and future. 2. Exclusive charge on Current assets of the Renal Care centre, Kanpur both present and future. 3. First charge on specific equipment located at A-2 Sarvodaya Nagar Kanpur as mentioned below: Philipps Inertia 1.5t Mri System -1 Qty Ventilator Siemens -5 Qty Cath lab -1 Qty 4. Exclusive charge on current assets of the South Kanpur Hospital both present and future. 5. Exclusive charge on medical equipment& and moveable fixed assets of South Kanpur Hospital both present and future. 6. Exclusive charge by way of hypothecation of CA & MFA of nursing college both present and future. 7. Exclusive charge by way of equitable mortgage on Land & building of Nursing college both present and future. 8. Personal Guarantee of Dr. Atul Kapoor and Dr. Rashmi Kapoor 9. Exclusive charge by way of hypothecation of CA & MFA of renal care hospital in Lucknow.
HDFC Bank	110,000,000	-	Duration: 120 Months (including 12 Months Moratorium). Equated Monthly Instalments (EMI's) of ₹ 1,519,030 per month beginning from 20 December 2020 till 20 November 2029	1. First and exclusive charge on all current assets (Stock, consumables and book debts of Regency Hospital Limited ( Both present & future of MSH )



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

(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)**
**(a) Secured term loans from banks and financial institutions**

Name of bank / Financial Institution	As at 31 March 2020	As at 31 March 2019	Repayment terms	Details of security
HDFC Bank	96,355,000	-	Duration: 120 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹ 1,330,601 per month beginning from 20 December 2020 till 20 November 2029	2. First and exclusive charge on fixed assets (movable & immovable) including Land & Building of Regency Hospital Limited ( both current & future of MSH)
HDFC Bank	106,232,040	-	Duration: 63 EMIs of ₹ 2,260,652 per month beginning from 20 December 2019 till 20 February 2025	3. First & exclusive charge through equitable mortgage of Regency Hospital Limited
HDFC Bank	92,980,018	-	Duration: 23 EMIs of ₹ 5,288,269 per month beginning from 20 December 2019 till 20 October 2021	4. Hypothecation and exclusive charge on plant & machinery & other assets of the company RHL-MSH facility ( Both current & future )
HDFC Bank	29,012,330	-	Duration: 120 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹ 400,642 per month beginning from 20 December 2020 till 20 November 2029	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.
HDFC Bank	18,876,743	-	Duration: 96 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹ 308,522 per month beginning from 20 February 2021 till 20 January 2028	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.
HDFC Bank	23,196,788	-	Duration: 33 EMIs of ₹ 898,369 per month beginning from 20 December 2019 till 20 August 2022	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.
HDFC Bank	6,428,306	-	Duration: 120 Months (including 12 Months Moratorium), Equated Monthly Instalments (EMIs) of ₹ 88,771 per month beginning from 20 January 2021 till 20 December 2029	8. Equitable mortgage of residential as well as commercial property as mentioned below: a) 117/A-2 Sarvodaya Nagar, Kanpur b) M/s Abhivrev Healthcare Pvt Ltd. ( amalgamated with Regency Hospital Ltd.)- 117/138 B-2 Sarvodaya Nagar Kanpur UP c) 117/101, K-Block Kakadeo Hospital Kanpur, UP
HDFC Bank	7,350,600	-	08 Equated Monthly Instalments (EMIs) of ₹ 77,337 per month beginning from 05 July 2019 till 05 February 2020 and thereafter 88 EMIs of ₹ 118,170 per month till 05 June 2027	
Indusind Bank	3,386,103	-	Loan With a Door to Door tenor of 7 years . Repayment in quarterly structured instalments after the end of 5 th Quarter from the date of 1st drawdown as per repayment schedule given below :	1. Exclusive charge on the medical equipment and other movable fixed assets (both present and future) in Oncology and Gastro Centre.
Indusind Bank	14,000,000	-	<b>Quarter</b> 1 to 4 Nil 5 to 24 4% of Drawn with interest 25 to 28 5% of Drawn with with interest	2. Exclusive charge by way of equitable mortgage on the land and building of the Oncology and Gastro Centre
Indusind Bank	600,000,000	-	Loan With a Door to Door tenure of 10.5 years . Repayment in 36 quarterly ended structured instalments as per repayment schedule given below : <b>Year</b> Till Sept 21 Nil Oct 21 to Sep 22 1% of TL with interest Oct 22 to Sep 23 4% of TL with interest Oct 23 to Sep 24 5% of TL with interest Oct 24 to Sep 25 7% of TL with interest Oct 25 to Sep 26 8% of TL with interest Oct 26 to Sep 27 10% of TL with interest Oct 27 to Sep 28 20% of TL with interest Oct 28 to Sep 29 20% of TL with interest Oct 29 to Sep 30 25% of TL with interest	3. Exclusive charge on all current assets (both present & future) of Oncology and Gastro Centre.
<b>Total-A</b>	<b>1,390,683,857</b>	<b>1,349,064,265</b>		

\* aforesaid loan of YES Bank has been taken over by HDFC Bank during the year.

The above loan carry an interest rate ranging from 9.50 % p.a. to 10.20% p.a. (previous year 9.50% p.a. to 10.80% p.a.).

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

**Terms of repayment and security disclosure for the outstanding long term borrowings (including current maturities of long term borrowings)**

**(b) Secured vehicle loan from banks**

Name of Party	As at 31 March 2020	As at 31 March 2019	Terms of Repayment	Details of security
HDFC Bank	1,975,000	-	Equated Monthly Instalments (EMIs) of ₹ 40,425	Secured by way of charge on vehicle financed through the loan facility.
Allahabad Bank	-	776,416	Equated Monthly Instalments (EMIs) of ₹ 22,300	Secured by way of charge on vehicle financed through the loan facility.
<b>Total-B</b>	<b>1,975,000</b>	<b>776,416</b>		

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

**(c) Secured vehicle loan from others (NBFC)**

Name of Party	As at 31 March 2020	As at 31 March 2019	Terms of Repayment	Details of security
Kotak Mahindra Prime Limited	6,428,020	10,427,709	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>Total-C</b>	<b>6,428,020</b>	<b>10,427,709</b>		

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

**(d) Unsecured loan from financial institution**

Name of Party	As at 31 March 2020	As at 31 March 2019	Terms of Repayment
Magma Fincorp Limited	-	218,902	48 Equated Monthly Instalments (EMIs) of ₹ 222,277 per month beginning from 07 May 2015 till 07 April 2019
<b>Total-D</b>	<b>-</b>	<b>218,902</b>	
<b>Grand Total E (A+B+C+D)</b>	<b>1,399,086,877</b>	<b>1,360,487,292</b>	
Less: Current maturities of long term debts (refer note 12) (F)	(90,342,180)	(127,230,890)	
<b>Net balance G (E-F)</b>	<b>1,308,744,697</b>	<b>1,233,256,402</b>	

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

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

	As at 31 March 2020	As at 31 March 2019
<b>8. Deferred tax liabilities (net)</b>		
<b>Deferred tax liability</b>		
Impact of difference between tax depreciation and depreciation/amortisation charged as per books of account	128,256,132	119,772,983
Deferred lease rent recoverable	1,567,470	994,280
Provision for gratuity	-	91,164
<b>Deferred tax assets</b>		
Provision for gratuity	(881,623)	-
Provision for bonus	(3,343,550)	(3,304,951)
Provision for doubtful debts	(13,269,163)	(8,634,666)
Rent equalisation reserve	(12,659,559)	(5,879,230)
Expenses incurred on capital raising	(7,478,866)	(8,498,474)
Unabsorbed depreciation as per the Income- tax Act, 1961	(14,883,385)	(48,432,180)
	<b><u>77,307,456</u></b>	<b><u>46,108,927</u></b>
<b>9. Other long-term liabilities</b>		
Rent equalisation reserve	138,299,215	109,132,101
Creditor for capital goods	107,894,603	108,356,111
Deposit from employees	32,121,685	26,471,083
	<b><u>278,315,503</u></b>	<b><u>243,959,295</u></b>
<b>10. Short-term borrowings- Secured</b>		
Working capital borrowings from banks (refer note below)	252,324,627	174,590,694
	<b><u>252,324,627</u></b>	<b><u>174,590,694</u></b>

Name of bank	As at 31st March 2020	As at 31st March 2019	Details of security
Yes Bank	-	14,400,799	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	-	7,737,451	1. Charge on all movable and immovable fixed assets of the Renal Care centre both present and future 2. Exclusive charge on all current assets of the South Kanpur Hospital both present and future 3. Exclusive charge on medical equipment's & movable fixed assets of South Kanpur Hospital
Indusind Bank	29,526,774	2,481,390	1. Exclusive charge on Land & Building located at A-4, Sarvodya Nagar, Kanpur. 2. Exclusive charge on all movable fixed and current assets (both present & future).
HDFC Bank	222,797,339	149,971,054	Same as defined in note 7(a)
Bank of Baroda overdraft account	513	-	Secured against TDR No.-0492719
	<b><u>252,324,627</u></b>	<b><u>174,590,694</u></b>	

The above loans carry an interest rate ranging from 9.50% p.a. to 10.00% p.a. (previous year 9% p.a. to 10.50%)



	As at 31 March 2020	As at 31 March 2019
<b>11. Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises	4,905,410	8,021,143
- Total outstanding dues of creditors other than micro enterprises and small enterprises	247,052,048	271,902,007
	<b><u>251,957,458</u></b>	<b><u>279,923,150</u></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.		
Principal amount remaining unpaid	4,905,410	8,021,143
Interest due thereon	212,809	75,717
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	295,209	82,400
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.	-	-
The above information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per MSMED Act, on the basis of and from the date information available with the Company.		
<b>12. Other current liabilities</b>		
Current maturities of long-term debt (refer note 7)	90,342,180	127,230,890
Employee related payables	48,811,934	42,126,024
Consultant fee payable	59,998,961	57,935,109
Consultant fees accrued but not due	4,724,533	6,135,829
Deposit from employees	8,151,219	6,209,266
Interest accrued and due on borrowings	237,186	9,376,697
Interest accrued but not due on borrowings	3,248,854	2,468,476
Advance from customers	103,679,986	80,901,005
Creditor for capital goods	131,938,244	32,930,479
Statutory dues payable	10,580,491	7,493,076
Other liabilities	6,106,637	31,216,926
	<b><u>467,820,225</u></b>	<b><u>404,023,777</u></b>
<b>13. Provisions</b>		
Provision for gratuity (refer note 33)	3,502,953	-
Provision for compensated absences	4,995,347	3,807,100
Other provisions [refer note 36(b)(a)]	-	2,000,000
	<b><u>8,498,300</u></b>	<b><u>5,807,100</u></b>

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**  
*(All amounts are in rupees, unless otherwise stated)*

**14. Property, plant and equipment**

Particulars	Computers	Furniture and fixtures	Office equipment	Vehicles	Electrical equipments	Plant and machinery	Building	Lease hold land improvements	Freehold land	Total Tangible Assets	Intangible Assets	Grand Total
<b>Gross Block</b>												
Balance as at 1 April 2018	20,904,130	65,138,228	9,789,121	32,592,792	58,799,886	1,112,745,578	770,011,567	106,992,552	664,363,046	2,981,265,835	6,556,173	2,987,822,008
Additions during the year	1,132,060	1,858,520	2,106,922	1,664,190	5,440,769	87,453,978	25,858,424	1,964,265	100,000	127,579,128	29,500	127,608,628
Disposals/adjustments during the year	108,827	118,174	-	610,482	80,150	28,216,590	-	-	-	29,132,895	-	29,132,895
<b>Balance as at 01 April 2019</b>	<b>21,927,363</b>	<b>66,878,574</b>	<b>11,896,043</b>	<b>33,646,500</b>	<b>64,160,505</b>	<b>1,171,982,965</b>	<b>795,869,991</b>	<b>108,956,827</b>	<b>664,463,046</b>	<b>3,079,711,069</b>	<b>6,585,673</b>	<b>3,086,306,742</b>
Additions during the year	1,217,768	344,400	2,139,626	786,606	3,909,164	78,555,835	140,734,777	-	-	227,887,875	13,432,277	241,120,252
Disposals/adjustments during the year	322,652	2,058,029	544,202	-	1,124,798	1,383,530	-	-	-	5,433,151	-	5,433,151
<b>Balance as at 31 March 2020</b>	<b>22,822,260</b>	<b>65,164,946</b>	<b>13,491,467</b>	<b>34,433,106</b>	<b>66,944,930</b>	<b>1,249,155,101</b>	<b>936,604,768</b>	<b>108,956,827</b>	<b>664,463,046</b>	<b>3,301,965,694</b>	<b>20,027,950</b>	<b>3,321,993,645</b>
<b>Accumulated depreciation</b>												
Balance as at 1 April 2018	10,606,487	18,959,001	6,021,761	8,396,183	23,572,960	245,030,266	80,068,377	986,416	-	406,881,794	117,016	406,978,810
Depreciation charge for the year	3,936,370	6,077,051	1,219,213	3,752,960	5,588,754	80,332,670	11,866,983	790,424	-	128,914,192	1,022,470	130,006,662
Disposals/adjustments for the year	103,100	111,251	-	526,937	16,981	6,021,708	-	-	-	6,779,977	-	6,779,977
<b>Balance as at 01 April 2019</b>	<b>14,439,756</b>	<b>24,924,801</b>	<b>7,240,975</b>	<b>12,222,207</b>	<b>29,144,733</b>	<b>319,941,227</b>	<b>91,935,360</b>	<b>1,776,840</b>	<b>27,370,112</b>	<b>528,996,009</b>	<b>1,209,486</b>	<b>530,205,495</b>
Depreciation charge for the year	4,673,092	5,827,171	1,446,954	3,057,895	5,429,540	81,055,398	12,596,598	1,416,931	-	132,053,352	3,770,464	136,823,816
Disposals/adjustments for the year	306,520	1,946,978	516,992	-	1,068,501	688,109	-	-	-	4,527,100	-	4,527,100
<b>Balance as at 31 March 2020</b>	<b>18,806,330</b>	<b>28,804,994</b>	<b>8,170,935</b>	<b>15,080,092</b>	<b>33,506,771</b>	<b>400,900,516</b>	<b>104,521,948</b>	<b>3,193,770</b>	<b>42,729,865</b>	<b>656,522,261</b>	<b>4,979,950</b>	<b>661,502,211</b>
<b>Net block</b>												
Balance as at 31 March 2019	7,487,006	41,953,773	4,655,069	21,424,294	35,015,772	852,041,769	703,934,631	107,179,987	664,463,046	2,550,715,059	5,386,187	2,556,101,246
Balance as at 31 March 2020	4,016,449	36,359,952	5,320,531	18,553,014	33,439,159	848,246,585	832,082,820	105,763,057	664,463,046	2,645,443,633	15,048,000	2,660,491,633

**Note:**

- The Company has entered into an agreement with Uttar Pradesh Awasthi 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, in the previous year 2018-19, 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 ₹ 513,553,915 (previous year ₹ 342,147,301) includes plant and machinery pending installation and building under construction.
- Intangible asset under development amounting to ₹ 4,366,000 includes License fees paid for Process Orchestra and updation of Hospital Management System (HMS) which were pending installation as on 31 March 2020.
- Capitalisation of expenditure  
Refer below for details of expenditure of revenue nature which has been capitalised as part of Capital work in progress. Consequently, the relevant expenses disclosed under the respective heads are net of amounts capitalised by the Company except the rent expense which is not recorded in statement of profit and loss as the said property to which this expense relates has not been put to its intended use till date.

Particulars	31 March 2020	31 March 2019
Borrowing costs	13,978,277	3,120,780
Employee benefits expense	23,792,302	23,792,302
Professional fees	3,108,120	4,814,400
Rent expenses	87,998,997	87,998,997
Total	128,877,696	119,726,479

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**
**15. Non-current investments (valued at cost unless stated otherwise)**

	As at 31 March 2020	As at 31 March 2019
<b>Trade investments in equity shares (unquoted)</b>		
<b>Subsidiaries</b>		
Sibling LifeCare Private Limited 10,000 (previous year 10,000) Equity shares of ₹ 10 each fully paid up	100,000	100,000
Regency Institute of Nursing 100,000 (previous year Nil) Equity shares of ₹ 10 each fully paid up	1,000,000	-
<b>Associates</b>		
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>15,310,000</b>	<b>14,310,000</b>
Aggregate amount of unquoted investments	15,310,000	14,310,000

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

	As at 31 March 2020		As at 31 March 2019	
	Long-term	Short-term	Long-term	Short-term
Capital advances	33,082,832	-	48,397,533	-
Security deposits	47,959,894	-	41,701,967	-
Other loans and advances				
Advance to employees	-	2,812,960	-	2,102,210
Advance to others	2,796,839	601,616	3,191,436	1,093,877
Advance tax [net of provision for taxation ₹ Nil (previous year ₹ 9,213,169)]	128,380,724	-	88,589,959	-
Advance to vendors	-	14,101,035	-	5,124,576
Minimum alternate tax credit receivable	-	-	31,048,213	-
[also refer note (a) below]	212,220,289	17,515,611	212,929,108	8,320,663
<b>Note (a)</b> Minimum alternate tax credit entitlement				
Balance at the beginning of the year		31,048,213		21,835,044
Add: Minimum alternate tax credit entitlement created during the year		-		9,213,169
Less: Minimum alternate tax credit recoverable written off during the year (refer note 40)		31,048,213		-
<b>Balance at the end of the year</b>		-		<b>31,048,213</b>

**17. Current investments**

	As at 31 March 2020	As at 31 March 2019
Non trade investments (at lower of cost and fair value, quoted)		
4,20,983 (Previous year Nil) units of HDFC Low Duration Funds - LT - Growth	17,542,683	-
1,340 (Previous year Nil) units of Axis Treasury Advantage Fund - Regular Plan - Growth	3,000,001	-
Nil (Previous year 14,599) units of HDFC MF Monthly Income Plan - LT - Growth	-	625,000
3,586 (Previous year 20,526 ) units of Reliance Low Duration funds	9,601,569	51,446,198
Investment in mutual funds (Non trade - Quoted)	<b>30,144,253</b>	<b>52,071,198</b>
Aggregate amount of market value of quoted Investments	30,604,384	53,721,254

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

Pharmacy (includes stock -in- transit ₹ 4,349,618 (previous year ₹ Nil)	42,634,041	46,454,565
Surgical, pathological and kitchen items	56,000,081	39,564,960
Other miscellaneous consumable items	9,300,247	5,430,823
	<b>107,934,369</b>	<b>91,450,348</b>



**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

	As at 31 March 2020	As at 31 March 2019		
<b>19. Trade receivables</b>				
Outstanding for a period exceeding six months from the date they are due for payment receivables				
Unsecured, Considered good	172,871,703	187,679,084		
Unsecured, Considered doubtful	27,639,474	15,526,386		
	<b>200,511,177</b>	<b>203,205,470</b>		
Less: Allowances for bad and doubtful debts	27,639,474	15,526,386		
<b>Total A</b>	<b>172,871,703</b>	<b>187,679,084</b>		
Other debts				
Unsecured, considered good	195,865,542	184,065,791		
Unsecured, Considered doubtful	25,082,883	15,511,235		
	220,948,425	199,577,026		
Less : Allowances for bad and doubtful debts	25,082,883	15,511,235		
<b>Total B</b>	<b>195,865,542</b>	<b>184,065,791</b>		
<b>Grand Total A+B</b>	<b>368,737,245</b>	<b>371,744,875</b>		
<b>20. Cash and bank balances</b>				
Cash and cash equivalents				
Cash on hand	5,969,134	5,298,457		
Balances with banks in current accounts	15,547,414	151,872,864		
Other bank balances				
Deposits with maturity more than three months but less than twelve months [refer note (i) below]	200,285,185	10,657,741		
	<b>221,801,733</b>	<b>167,829,062</b>		
(i) Total deposits of ₹ 200,285,185 (previous year ₹106,57,741) are pledged with Bank of Baroda , HDFC Bank Ltd and Yes Bank Ltd against fund based and non fund based limit obtained.				
<b>21. Other current assets</b>				
	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>		
	<b>Long-term</b>	<b>Short-term</b>	<b>Long-term</b>	<b>Short-term</b>
Prepaid expenses	2,826,381	15,887,920	-	8,880,542
Unbilled revenue	-	31,274,836	-	35,277,212
Interest accrued and not due on deposits with banks	-	984,273	-	1,015,054
Deferred lease rent recoverable	6,228,030	-	3,573,978	-
Other receivables	-	-	-	118,647
	<b>9,054,410</b>	<b>48,147,029</b>	<b>3,573,978</b>	<b>45,291,455</b>
	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>		
<b>22. Revenue from operations</b>				
<b>Revenue from</b>				
Healthcare services	2,355,313,389		2,083,425,299	
Pharmacy and surgical sales	172,911,377		162,731,079	
Nursing school (refer note 41)	7,565,223		13,295,400	
	<b>2,535,789,989</b>		<b>2,259,451,778</b>	
<b>23. Other income</b>				
Interest income from banks	1,714,461		6,876,898	
Interest income on income tax refund	2,306,292		2,954,381	
Profit on sale of mutual funds	8,309,092		3,293,531	
Provisions/liabilities no longer required written back	245,526		3,164,805	
Other non-operating income				
- Income from leasing	8,735,653		5,187,428	
- Sale of food items	1,612,642		1,445,782	

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

- Miscellaneous income	2,245,658	2,994,818
	<b>25,169,324</b>	<b>25,917,643</b>
<b>24. Consumption of pharmacy, surgical and kitchen items</b>		
Opening stock	86,019,525	74,426,443
Add : Purchases during the year	539,575,916	508,552,145
	<b>625,595,441</b>	<b>582,978,588</b>
Less : Closing stock	94,239,505	86,019,525
	<b>531,355,936</b>	<b>496,959,063</b>
<b>25. Employee benefits expense</b>		
Salaries, wages and bonus	422,364,275	388,439,488
Contribution to provident and other defined contribution funds	9,344,390	8,946,568
Gratuity expense (refer note 33)	6,210,568	2,578,976
Staff welfare expenses	7,594,521	11,415,614
	<b>445,513,754</b>	<b>411,380,646</b>
<b>26. Finance costs</b>		
Interest expense		
- Term loans	123,569,989	126,221,506
- Vehicle loans	816,498	1,171,983
- Working capital facilities	18,034,152	14,071,234
- Others	221,124	314,561
Other borrowing cost	2,060,500	232,630
	<b>144,702,263</b>	<b>142,011,914</b>
<b>27. Depreciation and amortisation expense (refer note 14)</b>		
Depreciation of tangible assets		
Amortization of intangible assets	132,053,352	128,914,192
	3,770,464	1,092,470
	<b>135,823,816</b>	<b>130,006,662</b>
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>28. Other expenses</b>		
Doctor and other professional fees	603,768,073	519,327,610
Medical service fee	67,380,711	71,871,808
Power and fuel	93,112,699	93,584,390
Rent	78,533,774	82,922,100
Repairs and maintenance		
- Buildings	11,859,852	7,449,671
- Plant and machinery	32,894,631	32,149,777
- Vehicles	5,270,377	4,558,137
Office maintenance and others	24,817,828	13,904,399
Insurance	3,823,948	3,823,214
Rates and taxes	7,276,721	7,372,997
Advertisement expenses	10,394,119	12,911,717
Printing and stationary	9,105,464	5,763,676
Corporate social responsibility expenses (refer note 39)	2,421,000	1,310,000
Legal and professional expenses	18,015,828	9,680,851
Payment to auditor (refer note 34)	2,773,000	3,092,270
Security expenses	14,859,809	14,462,710
House keeping expenses	61,310,140	62,672,007
Telephone expense	1,119,130	1,481,196
Travelling expense	7,713,132	7,270,606
Bad debts	54,794,818	62,182,003
Provision for doubtful debts	21,684,736	3,639,654
Bank charges	1,124,686	1,393,185

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

Bank commission	6,102,201	5,541,645
Bill processing and collection charges	18,651,462	9,095,024
Loss on disposal of fixed assets (net)	906,051	1,409,518
Miscellaneous expenses	4,413,952	5,654,229
	<b>1,164,128,142</b>	<b>1,044,524,394</b>

**29. Exceptional item**

Loss on disposal of property, plant and equipment*	-	19,969,708
	<b>-</b>	<b>19,969,708</b>

\* The amount represents loss on sale of CT scan machine which had been sold in the previous year due to some technical failure. The machine was purchased at cost of ₹ 22,050,000 which has been sold at consideration of Rs. 89,286. The difference between written down value on the date of sale amounting to ₹ 20,058,994 and sale proceeds amounting to ₹ 89,286 had been disclosed as an exceptional item under note 29 in the statement of profit and loss.

**30. Earnings per share**

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net profit for the year	74,619,216	28,382,062
Weighted average number of shares outstanding	14,042,779	13,464,359
Basic and diluted earnings per share (in ₹)	5.31	2.11
Nominal value of shares (in ₹)	10	10

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

Relationship	Name
<u>Related parties where control exists</u>	
Subsidiary Company	Sibling Lifecare Private Limited Regency Institute of Nursing (w.e.f 25 October 2019)
<u>Related parties under AS 18 with whom transactions have taken place during the year</u>	
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. (a) Mr. Abhishek Kapoor (b) Mr. Revant Kapoor
- Wife of Mr. Abhishek Kapoor and Mr. Revant Kapoor	4. (a) Mrs. Janhvi Kapoor (b) Mrs. Shreya Kapoor
Associate Company	Regency Nephrocare Private Limited
Enterprises owned or significantly influenced by KMP or their relatives	Amrita Charitable Trust

**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 2020	For the year ended 31 March 2019
<b>Lease rent income</b>		
<b>Regency Nephrocare Private Limited</b>		
- from medical equipment	-	1,063,822
- from building	4,820,041	4,513,684
<b>Sibling Lifecare Private Limited</b>		
- from building	-	5,900
<b>Amrita Charitable trust</b>		
- from building	-	180,000



**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

<b>Maintenance service for building</b>		
- Regency Nephrocare Private Limited	212,542	212,542
<b>Fee for medical services received</b>		
- Regency Nephrocare Private Limited	66,033,096	71,898,575
- Dr. Rashmi Kapoor	19,925,177	16,570,866
<b>Remuneration</b>		
-Shri Anant Ram Kapoor	180,000	180,000
- Dr. Atul Kapoor	10,864,996	10,759,673
- Dr. Rashmi Kapoor	8,610,000	8,545,161
- Mr. Arun Kapoor	2,141,563	1,706,250
- Mr. Abhishek Kapoor	4,500,000	4,500,000
- Mrs. Janhvi Kapoor	800,000	626,378
<b>Share in investigation charges</b>		
- Dr. Rashmi Kapoor	4,716,000	3,643,551
<b>Purchases</b>		
Sibling Lifecare Private Limited	295,709,912	-
<b>Lease rent expense</b>		
-Shri Anant Ram Kapoor	8,195,997	7,805,700
- Dr. Atul Kapoor	907,500	990,000
- Dr. Rashmi Kapoor	3,900,000	3,900,000
<b>Payments made on behalf of</b>		
- Regency Nephrocare Private Limited	2,573,711	1,803,153
-Sibling Lifecare Private Limited	970,379	976,210
-Amrita Charitable Trust	113,302	3,163
-Regency Institute of Nursing	5,475,845	-
- Dr. Atul Kapoor	2,741,000	-
-Dr. Rashmi Kapoor	2,741,000	-
<b>Payments received on behalf of</b>		
-Regency Institute Of Nursing	8,184,950	-
<b>Corporate social responsibility expenses</b>		
- Amrita Charitable Trust	2,400,000	1,310,000
<b>Investments in equity shares</b>		
- Regency Institute of Nursing	1,000,000	-

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

	<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>
<b>Payable for medical services received</b>		
- Dr. Rashmi Kapoor	4,379,378	3,393,170
- Regency Nephrocare Private Limited	21,067,152	45,235,022
<b>Rent Payable</b>		
- Dr. Rashmi Kapoor	292,500	-
<b>Rent receivable</b>		
- Regency Nephrocare Private Limited	1,865,256	8,284,050
-Sibling Lifecare Private Limited	-	190,950
- Amrita Charitable Trust	-	89,976
<b>Receivable for expenses incurred on behalf of</b>		
- Regency Nephrocare Private Limited	-	5,640,085
-Sibling Lifecare Private Limited	-	2,476,127
- Amrita Charitable Trust	25,747	2,475
<b>Receivable for sale of pharmacy and surgical items</b>		
-Sibling Lifecare Private Limited	-	8,014,283
<b>Payable for purchase of pharmacy and surgical items</b>		
-Sibling Lifecare Private Limited	82,725,187	-
<b>Payable for fees received on behalf of</b>		
-Regency Institute of Nursing	2,709,105	-
<b>Security deposit receivable</b>		

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

- Dr. Rashmi Kapoor	5,825,000	5,825,000
<b>Advance given</b>		
- Dr. Rashmi Kapoor	-	11,457
- Dr. Atul Kapoor	-	403,374
- Mr. Abhishek Kapoor	-	262,205
- Shri Anant Ram Kapoor	602,432	14,976
<b>Investments in equity shares</b>		
- Regency Nephrocare Private limited	14,210,000	14,210,000
- Sibling Lifecare Private Limited	100,000	100,000
- Regency Institute of Nursing	1,000,000	-

**d) Other arrangements**

Personal guarantee given by Dr. Atul Kapoor and Dr. Rashmi Kapoor for loans the outstanding balance of which is ₹ 732,906,740 (previous year ₹ 730,274,645) obtained by the Company from various banks.

Personal guarantee given by Mr. Anant Ram Kapoor for loans the outstanding balance of which is ₹ 732,906,740 (previous year ₹ 283,318,405) obtained by the Company from various banks.

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

**33. Employee benefit obligation**

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

	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>
<b>Change in present value of defined benefit obligation</b>		
Present value of defined benefit obligation at the beginning of the year	18,597,441	15,492,557
Current service cost	2,646,943	2,347,871
Interest cost	1,326,404	1,192,927
Actuarial loss/(gain)	3,653,540	(435,914)
Benefit paid	(2,742,841)	-
<b>Present value of defined benefit obligation at the end of the year</b>	<b>23,481,488</b>	<b>18,597,441</b>
<b>Assets and liabilities recognised in the balance sheet</b>		
Present value of defined benefit obligation	23,481,488	18,597,441
Less: Fair value of plan assets	19,978,535	18,925,132
<b>Liability/(assets) recognised in the balance sheet</b>	<b>3,502,953</b>	<b>(327,691)</b>
Recognised under:		
- Long-term provision	-	-
- Short-term provision	3,502,953	-
	<b>3,502,953</b>	
<b>Expense recognised in the statement of profit and loss</b>		
Current service cost	2,646,943	2,347,871
Interest cost	1,326,404	1,192,927
Expected return on plan assets	(1,443,262)	(791,048)
Actuarial loss/(gain)	3,680,483	(170,774)
<b>Total expense</b>	<b>6,210,568</b>	<b>2,578,976</b>
<b>Actuarial assumptions</b>		
Discount rate	6.70%	7.70%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life (years)	34.19	33.87
<b>Demographic assumptions</b>		
Mortality table	Indian Assured Lives Mortality (2006-08) Ult. Modified	Indian Assured Lives Mortality (2006-08) Ult. Modified
Retirement age	70	70
Withdrawal rates	2.00%	2.00%

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Defined benefit obligation	3,502,953	(327,691)	13,502,265	21,124,455	18,687,336
Experience adjustment on plan liabilities	3,653,540	(435,914)	(10,529,831)	(2,118,816)	422,336

**Notes :**

- 1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of 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 2020	For the year ended 31 March 2019
Employee provident fund paid to the authorities	6,144,678	4,593,303
Employee state insurance paid to the authorities	3,199,712	4,353,265
<b>34. Payment to auditor</b>		
Payment to auditor*		
- Statutory audit fees	2,596,000	2,714,000
- Tax audit fees	177,000	-
- Out of pocket expenses	-	378,270
	<b>2,773,000</b>	<b>3,092,270</b>

\* including Goods & service tax

**35. Commitments**

- Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): ₹ 50,880,013 (previous year ₹ 283,577,219)

**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 ₹ 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. Subsequent to year end, letter of intend is signed between parties to increase the period from 9 years to 12 years. The total amount of capital expenditure remaining unexecuted is ₹ 15,000,000. The Company expects to receive the possession of the same by 31 March, 2021

**36. (a) Contingent liabilities#**

	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debt [refer note (i) below]	39,875,167	37,488,137
Disputed demand of Customs Department [refer note (ii) below]	1,923,000	1,923,000
Bank guarantee furnished to Director, CGHS and ECHS, Railways and Regency School of Nursing	6,733,400	6,653,400
Bonus [refer note (iii) below]	3,502,616	3,502,616
Income taxes (Assessment year 2016-17)	263,863	263,863
Foreign letter of credit Nil (previous year USD 108,000)	-	7,512,480
Inland letter of credit	15,324,868	-



**Note**

(i) Includes total amount of claims under various legal cases alleging medical negligence against the hospital as on 31 March 2020 is ₹ 39,875,167 (previous year ₹ 37,488,137). 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.

(ii) 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.

(iii) 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

(iv) 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.

# The Hon'ble Supreme Court of India pronounced a ruling dated 28 February 2019 in which it was held that 'allowance' paid to employees, will be included in scope of 'basic wages' and thus, will be subject to provident fund contributions. Management believes that this will not result in any material liability on the Company which is also the view of a PF consultant engaged by the management

**36. (b) Other matters**

(a) The adjudication authority of Securities and Exchange Board of India (SEBI) vide its order dated 29 September 2018 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 ₹ 20,00,000 was attributable to the Company. Accordingly, the Securities Appellate Tribunal ("SAT"), vide its Order dated 3 January 2020 has quashed and set aside SEBI's order imposing penalty of ₹ 500,000 and vide its order dated 3 September 2020 has set aside the SEBI's order imposing penalty of ₹ 1,500,000 thereby maintaining status quo for the Company and its Promoter Directors and the said matter has been remanded back to SEBI for further investigation and consideration of additional documents.

(b) During the current year, the Company has incurred salary expense on behalf of its wholly owned subsidiary company Sibling Lifecare Private Limited (SLPL) and salary and other expense like rent, electricity etc. on behalf of its wholly owned subsidiary company Regency Institute of Nursing (RIN) [SLPL and RIN collectively referred as subsidiary companies] which are reimbursed by the subsidiary companies to the Company. As per the terms of agreement entered into by the Company with its subsidiary companies, these subsidiary companies have appointed the Company as its Pure agent for deputing its manpower/human resource and performing other services on behalf of subsidiaries. The Company management has obtained legal opinion on applicability of goods and service tax on reimbursement of above mentioned expense by subsidiary companies to the Company. The Tax expert has opined the management that the Company is acting as pure agent of subsidiary companies and therefore, the above reimbursement of expense (by subsidiary companies to the company) is not liable to Goods and Service Tax. Accordingly, no provision for Goods and service has been made in the books of accounts

**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 2020 and 31 March 2019 aggregate to ₹ 8,735,653 and ₹ 5,187,428 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 2020 and 31 March 2019 was ₹78,533,774 and ₹82,922,100 respectively. The Company has executed non-cancellable operating leases. Expected future minimum lease payments in respect of such leases are as follows:

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

	As at 31 March 2020	As at 31 March 2019
The minimum lease payments for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	90,099,907	80,354,547
Later than one year but not later than five years	507,888,784	509,693,491
Later than five years	228,241,008	321,437,765
The minimum lease receipts for the lease term are as under:		
Year ending after balance sheet date:		
Not later than one year	10,729,321	4,016,394
Later than one year but not later than five years	56,755,730	23,302,740
Later than five years	142,419,261	2,625,534

**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 2020		For the year ended 31 March 2019	
	Value	Percentage	Value	Percentage
Indigenous	531,355,936	100%	496,959,063	100%
Imported	-	-	-	-
<b>Total</b>	<b>531,355,936</b>	<b>100%</b>	<b>496,959,063</b>	<b>100%</b>

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

	For the year ended 31 March 2020		For the year ended 31 March 2019	
	EURO	₹	EURO	₹
Professional fees	1,210	113,988	5,547	458,200
	USD	₹	USD	₹
Import of capital goods	278,000	20,799,888	Nil	Nil

**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 2020		For the year ended 31 March 2019	
	USD	₹	USD	₹
Payable in foreign currency	235,500	17,739,038	-	-

**Regency Hospital Limited**
**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020**

- 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. The details of CSR expenditure are summarised below:**

	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent by the Company during the year ended 31 March 2020 and 31 March 2019 (Amount in ₹)	1,051,878	644,241
Amount spent during the year ending on 31 March 2020 and 31 March 2019		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above (Education)	2,421,000	1,310,000

- 40 The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 to pay tax at lower rate of 22% (excluding surcharge and cess). Accordingly, MAT credit recoverable of ₹ 31,048,213 has been written off and charged to profit and loss account in the current year.
- 41 During the year, w.e.f. 25 October 2019, the operations of Nursing School have been transferred from Regency Hospital Limited to separate legal entity 'Regency Institute of Nursing' which is the wholly owned subsidiary company of Regency Hospital Limited.
- 42 World Health Organization (WHO) declared outbreak of Corona virus disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India has declared lockdown on March 23, 2020. The Company is engaged in the business of running hospital, being essential services, there has been no suspension of operations and the Company has further taken steps for smooth functioning of its operations during the pandemic relating to COVID-19. The Company has considered internal and certain external sources of information including economic forecasts in determining the impact of this pandemic on various elements on its financial statements. Basis above, the management has estimated its future cash flows for the Company which indicates no major change in the financial performance as estimated prior to COVID-19 impact and hence, the Company believes that there is no impact on its ability to meeting its liabilities as and when they fall due. The Company expects to recover the carrying amount of its assets and have sufficient liquidity for business operations for at least another twelve months from the date of approval of this financial statement. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions and impact on its business.
- 43 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/-

**Rohit Arora**

Partner

M.No- 504774

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

Sd/-

**Dr. Atul Kapoor**

Managing Director

DIN- 01449229

Sd/-

**Ankita Gupta**

Company Secretary

Sd/-

**Dr. Rashmi Kapoor**

Director

DIN- 01818323

Sd/-

**Deepak Gupta**

Chief Financial Officer

**Place : Gurugram**

Date : 26 September 2020

**Place : Kanpur**

Date : 26 September 2020



**Form AOC-1**
**Statement containing salient features of the financial statement of  
Subsidiaries/Associate Companies/Joint ventures**

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

**Part "A": Subsidiaries**

1.	Name of the Subsidiary(s)	Sibling Lifecare Private Limited	Regency Institue of Nursing
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		25 October 2019 to 31 March 2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
4.	Share Capital	1,00,000	10,00,000
5.	Reserves & Surplus	6,99,312	2,23,801
6.	Total Assets	12,91,91,442	1,62,94,925
7.	Total Liabilities	12,91,91,442	1,62,94,925
8.	Investments	-	-
9.	Turnover	26,42,06,437	1,11,86,250
10.	Profit/(Loss) before taxation	28,55,044	2,99,072
11.	Provision for taxation ( incl. Deferred Tax)	(7,28,582)	(75,271)
12.	Profit/(Loss) after taxation	21,26,462	2,23,801
13.	Proposed Dividend	-	-
14.	Extent of shareholding (in percentage)	100%	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**

Place: Kanpur  
Date: 26 September 2020

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

sd/-

**Atul Kapoor**  
Managing Director  
DIN : 01449229

**Rashmi Kapoor**  
Whole-time Director  
DIN : 01818323

**Ankita Gupta**  
Company Secretary

**Deepak Gupta**  
Chief Financial Officer

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

1.	Name of Associates/Joint Venture	Regency Nephrocare Private Limited
2.	Latest audited Balance Sheet Date	31 March 2020
3.	Shares of Associate/Joint Ventures held by the company on the year end	
	No. of Shares	14,21,000
	Amount of Investment in Associates/Joint Venture	1,42,10,000
	Extend of Holding (%)	49%
4.	Description of how there is significant influence	Shareholding more than 20% of total voting power of Company
5.	Reason why the Associate/Joint Venture is not consolidated	NA
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	3,24,25,695
7.	Profit/Loss for the year	
	i. Considered in Consolidation	14,23,453
	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**

Place: Kanpur  
Date: 26 September 2020

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

**Atul Kapoor**  
Managing Director  
DIN : 01449229

**Rashmi Kapoor**  
Whole-time Director  
DIN : 01818323

**Ankita Gupta**  
Company Secretary

**Deepak Gupta**  
Chief Financial Officer

## REGENCY HOSPITAL LIMITED

**Registered Office:** A-2, Sarvodaya Nagar, Kanpur-208005, Uttar Pradesh  
**CIN :** U85110UP1987PLC008792 • **Email :** investor@regencyhealthcare.in  
**Website :** www.regencyhealthcare.in • **Ph:** 0512-3501111

### NOTICE

NOTICE is hereby given that the 31st (Thirty First) Annual General Meeting (AGM) Regency Hospital Limited will be held on Friday, the 20 day of November, 2020 at 11:30 A.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered Office of the Company situated at A-2, Sarvodaya Nagar- 208005, Kanpur, Uttar Pradesh shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31 March 2020, the Reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31 March 2020 and the Report of Auditors thereon.
2. To appoint a Director in place of Dr. Atul Kapoor (DIN: 01449229), who retires by rotation at this AGM and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**Resolved that** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Walker Chandok & Co., Chartered Accountants having Firm Registration No. 001076N/N500013 be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for their second term of 5 (five) years from the conclusion this AGM till the conclusion of sixth AGM to be held in Financial Year 2024-25 at a remuneration to be mutually discussed between the Board of Directors and Statutory Auditors.

#### SPECIAL BUSINESS

##### 4. Ratification of Cost Auditor's Remuneration

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 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31

March 2021, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

##### 5. Re-appointment of Dr. Atul Kapoor (DIN: 01449229) as Managing Director of the Company for a period of three (3) years and Revision in Remuneration

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

**Resolved that** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") read with Schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the Shareholders be and is hereby accorded for re-appointment of Dr. Atul Kapoor (DIN: 01449229) as Managing Director ("MD") of the Company for a three (3) years term commencing from 1 April 2020 till 31 March 2023, liable to retire by rotation, upon the terms and conditions set out in the statement annexed to this Notice, including the remuneration to be paid in during his said tenure within the stipulated provisions of section 197 of the Act and with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and the MD.

**Resolved further that** the Board of Directors be and are hereby authorized to revise the remuneration of MD from time to time to the extent it may deem appropriate, provided that such revision is within the prescribed provisions of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time and subject to approval of Shareholders of the Company as and when deemed appropriate.

**Resolved further that** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution."

##### 6. Re-appointment of Dr. Rashmi Kapoor (DIN: 01818323) as Whole Time Director of the Company for a period of three(3) years and Revision in Remuneration



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

**Resolved that** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") read with Schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the Shareholders be and is hereby accorded for re-appointment of Dr. Rashmi Kapoor (DIN: 01818323) as Whole time Director ("WTD") of the Company for a 3 (three) years term commencing from 1 April 2020 till 31 March 2023, liable to retire by rotation, upon the terms and conditions set out in the statement annexed to this Notice, including the remuneration to be paid during her said tenure within the stipulated provisions of section 197 of the Act and with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and the WTD.

**Resolved further that** the Board of Directors be and are hereby authorized to revise the remuneration of WTD from time to time to the extent it may deem appropriate, provided that such revision is within the prescribed provisions of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time and subject to approval of Shareholders of the Company as and when deemed appropriate.

**Resolved further that** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.

**7. Appointment of Mr. Abhishek Kapoor to the office/place of profit and payment of remuneration thereof**

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

**Resolved that** pursuant to the provisions of Section 188 (1)(f) and other applicable provisions, if any, of the Companies Act, 2013, (the "Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and any other rules framed under the Act (including any amendment, modification or re-enactment thereof from time to time) and based on the recommendation of Nomination and Remuneration Committee and Audit Committee and the Board of Directors accorded at their

respective meetings held on 26 September 2020, the consent of the Shareholders of the Company be and is hereby accorded to enhance the remuneration payable to Mr. Abhishek Kapoor, being relative of Dr. Atul Kapoor & Dr. Rashmi Kapoor, Managing Director and Whole time Director of the Company respectively, and holding office or place of profit in the Company as "Senior Vice-President - Strategy", from Rs.2,50,000 (Rupees Two Lakhs Fifty Thousand) to Rs.5,39,000 (Rupees Five Lakhs Thirty Nine Thousand) per month, inclusive of all basic, supplemental allowances, as applicable, as per the Company policy, effective from 1 December 2020 for a period of twenty eight (28) months and such other terms and conditions as contained in the Explanatory Statement to this Notice.

**Resolved further that** the Board of Directors and/or the Company Secretary of the Company be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this Resolution and to do all acts and take all such steps as may be necessary proper or expedient to give effect to this resolution.

**8. Re-appointment of Mr. Rabindra Nath Mohanty (DIN:07895550) as an Independent Director for a Second Term**

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

**Resolved that** Mr. Rabindra Nath Mohanty (DIN:07895550), who was appointed as an Independent Director by the Shareholders in the AGM of the Company held in year 2017 for a term of three (3) years upto the forthcoming AGM of 2020 and who meets the criteria of Independence as provided under section 149(6) of the Companies Act (the "Act") and who is eligible for re-appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding rules framed thereunder, as an Independent Director for a further period of three (3) years with effect from the date of this AGM."

**9. Appointment of Mr. Arun Shrivastava (DIN: 06640892) as an Independent Director**

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

**Resolved that** Mr. Arun Shrivastava (DIN: 06640892), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 (the "Act") and whose term of office expires at the ensuing AGM and who meets the criteria of Independence as provided under Section 149(6) of the Act and who is eligible for appointment and is

recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of three (3) years with effect from the date of this AGM."

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

Kanpur, 26 September 2020

Registered Office:

A-2, Sarvodaya Nagar

Kanpur-208005, Uttar Pradesh

Company Secretary  
 Membership No: A50166

#### Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8 April 2020, Circular No.17/2020 dated 13 April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5 May 2020, physical attendance of the Shareholders to the AGM venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Shareholders can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated 8 April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Shareholders is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated 8 April 2020, 13 April 2020 and 5

May 2020 the Company is providing facility of remote e-voting to its Shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. The Notice calling the AGM has been uploaded on the website of the Company at <https://regencyhealthcare.in/> and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. This AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8 April 2020 and MCA Circular No. 17/2020 dated 13 April 2020 and MCA Circular No. 20/2020 dated 5 May 2020.
8. The recorded transcript of the forthcoming AGM on 20 November 2020, shall also be made available on the website of the Company <https://regencyhealthcare.in/> in the Investor Relations Section, as soon as possible after the Meeting is over.
9. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID [investor@regencyhealthcare.in](mailto:investor@regencyhealthcare.in) till the date of AGM.
10. (i) Shareholders holding shares in physical form are requested to immediately intimate any change in their residential address to Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020 Registrars and Share Transfer Agent of the Company, so the change could be affected in Register of Members.  
 (ii) Shareholders who are holding shares in demat mode are requested to notify any change in their residential address, Bank A/c details and/ or email address immediately to their respective Depository Participants
11. The annual accounts of the subsidiary companies along with the related detailed information are available for inspection at the Corporate Office of the Company and copies will be made available to Shareholders upon request.
12. To prevent fraudulent transactions, Shareholders are advised to exercise due diligence and notify the Company of any change in address or demise of any Shareholder as soon as possible. Shareholders are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
13. An Explanatory Statement pursuant to Section 102 of the



Companies Act, 2013 in respect of the Special Businesses specified above is annexed hereto.

14. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH.13, which is available on the website of the Company.
15. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and the Circulars issued by the Ministry of Corporate Affairs dated 8 April 2020, 13 April 2020 and 5 May 2020 the Company is providing facility for voting by electronic means for all its Shareholders to enable them to cast their vote electronically and the business may be transacted through such e-voting. A Shareholder may exercise his/her vote at the AGM by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of the aforesaid Rule. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Shareholder using remote e-voting system as well as e-voting on the day of the AGM will be provided by NSDL. The Shareholders attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Shareholders who have cast their vote by remote e-voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.
16. Members may contact Ms. Ankita Gupta, Company Secretary, for any grievances connected with electronic means at [ankitagupta@regencyhealthcare.in](mailto:ankitagupta@regencyhealthcare.in), Tel. # 0512-3501111.
17. The remote e-voting period commences on Tuesday, 17 November 2020 (9:00 A.M.) and ends on Thursday, 19 November 2020 (5:00 P.M.). Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 12 November 2020 may opt for remote e-voting and cast their vote electronically. - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting at the Meeting. Any person, who acquires shares of the Company and becomes Shareholder of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 12 November 2020 may obtain the login ID and password by sending an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investors@regencyhealthcare.com](mailto:investors@regencyhealthcare.com) by mentioning their Folio No. / DP ID and Client ID No. However, if you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User details/password option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)".
18. User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) - Once the vote on a Resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently or cast the vote again. - Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again. - At the end of remote e-voting period, the facility shall forthwith be blocked.
19. The Board vide its Resolution passed on 26 September 2020 has appointed Mr. Surender Kumar Sahu, Practicing Company Secretary, Proprietor of M/s SKS & Company, Company Secretaries (Membership No. 5182, COP No. 4040), as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM, in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company <https://regencyhealthcare.in/> and on the website of NSDL immediately after the declaration of Result by the Chairman or any person authorized by him in writing.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on Tuesday, 17 November 2020 at 9:00 A.M. and ends at Thursday, 19 November 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1:** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

**Step 2:** Cast your vote electronically on NSDL e-Voting



system.

**Details on Step 1 is mentioned below:**

#### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on 'E-Voting' and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders**

1. 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 etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [skscsco2001@gmail.com](mailto:skscsco2001@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide

Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (Company email id).

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through E-Voting system in the AGM.
3. Shareholders who have voted through Remote E-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Shareholders are encouraged to join the Meeting through Laptops for better experience.
3. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore



recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the AGM may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investor@regencyhealthcare.com.
6. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on availability of time for the AGM.

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

Kanpur, 26 September 2020

Registered Office:

A-2, Sarvodaya Nagar

Kanpur-208005, Uttar Pradesh

Company Secretary  
 Membership No: A50166

### **Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013**

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

The Board, on the recommendation of the Audit Committee, in its Meeting held on 3 June 2020 has approved the appointment and remuneration of Mr. Rishi Mohan Bansal, Cost Accountants, (Registration No.102056), as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2020-21 at a fee of Rs. 27,500 subject to TDS, GST etc., as applicable, apart from out of pocket expenses, as remuneration for cost audit services for the Financial Year 2020-21. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company. Accordingly, consent of the Shareholders is being sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31 March 2021.

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 set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Shareholders.

#### **Item No. 5 & 6**

The Board on recommendation of the Nomination and Remuneration Committee in its meeting held on 27 February 2020 had approved re-appointment of Dr. Atul Kapoor and Dr. Rashmi Kapoor as Managing Director and Whole Time Director respectively with effect from 1 April 2020 consequent to their term expiring on 31 March 2020

which was subject to approval of Shareholders to be taken by conducting Extraordinary General Meeting (EGM) within 90 days. However, due to outbreak of COVID 19 and its countrywide spread the Company was unable to conduct its EGM of Shareholders and in partial modification of Board Resolution dated 27 February 2020, the Board in its Meeting held on 3 June 2020 approved the re-appointment of both of them with effect from 1 April 2020 on the terms and conditions including remuneration as mentioned below which is now subject to approval of Shareholders in AGM of the Company. Further, the Shareholder approval is also sought for remuneration being paid to the Managing Director and Whole Time Director in excess of limits i.e. above 10% of Net Profits of the Company as prescribed under Section 197 of the Companies Act, 2013.

#### **Dr. Atul Kapoor- Managing Director**

- A. Basic Salary: Rs. 77,50,000/- (Rupees Seventy Seven Lakhs Fifty Thousand only) per annum
- B. Supplemental Allowance: Rs.44,00,000/- (Rupees Forty Four Lakhs only) per annum
- C. Performance Bonus/Benefit: The Managing Director shall be paid yearly Performance Bonus/Benefit with effect from 1 April, 2020, at the following rates:-

#### **Variable Compensation**

Target	Normalized EBITDA Target Achievement	Incentive as %age of Normalized EBITDA
Less than 80% of Budget	80%	0%
Between 80% and 90% of Budget	90%	0.60%
Between 90% and 95% of Budget	95%	0.70%
Between 95% and 100% of Budget	100%	0.85%
Greater than Budget	125%	0.90%

He will be entitled to 50.0% of the total variable compensation as stated above.

#### **Notes:**

1. This arrangement will be for next three (3) years starting from 1 April 2020.
2. Increment in the fixed compensation, post three (3) years, will be referenced to the weighted average increment of the company's overall compensation levels (ex-clinicians) and performance level of the Company. Normalized EBITDA will be calculated on the basis of audited accounts subject to any normal variations in working capital.
3. The Company, Shareholders and Investors will review the compensation structure after three (3) years and will be objective of bringing the all-inclusive compensation level to below 5.5%
4. Supplemental Allowance will include all kinds of perks except for medical insurance.
5. Variable compensation will be capped at the level of 125% of the normalized EBITDA



The overall compensation paid to him is in accordance with the Schedule V of the Companies Act, 2013

#### Benefits and Amenities:

In addition to the salary, allowances and Variable compensation as above, the Managing Director shall be entitled to the following Benefits and Amenities:-

- A. Gratuity: Up to half a month's salary for each completed year of service as per the provisions of the Indian Gratuity Act, 1972.
- B. Leave Encashment: As per the rules of the Company but not exceeding 15 days for every twelve months of completed service and un-availed Earned Leaves will be allowed to be en-cashed at the end of every calendar year. Provided, no leaves are allowed to be accumulated as per the policy of the company.

Leave here means and includes:-20 Days (subject to Maximum 15 days Earned leave can be encashed)

- C. Conveyance: The Company shall provide car with driver for discharge of official responsibilities by him.
- D. Telephone, Telefax and other communication facilities: The Company shall provide / reimburse expenses in respect of one or more cellular phones (with handset) for official use.

#### Dr. Rashmi Kapoor- Whole Time Director

- A. Basic Salary : Rs.66,00,000/- (Rupees Sixty Six Lakhs only) per annum
- B. Supplemental Allowance: Rs.26,40,000/- (Rupees Twenty Six Lakhs Forty Thousand only) per annum
- C. Performance Bonus/Benefit: The Whole-time Director shall be paid yearly Performance Bonus/Benefit with effect from 01st April, 2020, at the following rates:

#### Variable Compensation

Target	Normalized EBITDA Target Achievement	Incentive as %age of Normalized EBITDA
Less than 80% of Budget	80%	0%
Between 80% and 90% of Budget	90%	0.60%
Between 90% and 95% of Budget	95%	0.70%
Between 95% and 100% of Budget	100%	0.85%
Greater than Budget	125%	0.90%

She will be entitled to 25.0% of the total variable compensation as stated above.

#### Notes:

1. This arrangement will be for next three (3) years starting from 1 April 2020.
2. Increment in the fixed compensation, post three (3) years, will be referenced to the weighted average increment of the company's overall compensation levels (ex-clinicians) and performance level of the Company. Normalized EBITDA will be calculated on the basis of audited accounts subject

to any normal variations in working capital.

3. The Company, Shareholders and Investors will review the compensation structure after three (3) years and will be objective of bringing the all-inclusive compensation level to below 5.5%
4. Supplemental Allowance will include all kinds of perks except for medical insurance.
5. Variable compensation will be capped at the level of 125% of the normalized EBITDA.

The overall compensation paid to her is subject to the overall ceiling prescribed under Schedule V of the Companies Act, 2013

#### Benefits and Amenities:

In addition to the salary, allowances and Variable compensation as above, the Whole-time Director shall be entitled to the following Benefits and Amenities:-

- A. Gratuity: Up to half a month's salary for each completed year of service as per the provisions of the Indian Gratuity Act, 1972.
  - B. Leave Encashment: As per the rules of the Company but not exceeding 15 days for every twelve months of completed service and unavailed Earned Leaves will be allowed to be encashed at the end of every calendar year. Provided, no leaves are allowed to be accumulated as per the policy of the company.
- Leave here means and includes:-20 Days (subject to Maximum 15 days Earned leave can be encashed).
- C. Conveyance: The Company shall provide car with driver for discharge of official responsibilities by her.
  - D. Telephone, Telefax and other communication facilities: The Company shall provide / reimburse expenses in respect of one or more cellular phones (with handset) for her use, and Telephone connections with STD & ISD facilities, fax connections, Cable Internet connections and other communication facilities at her residence.

Except Dr. Atul Kapoor, Dr. Rashmi Kapoor and Mr. Abhishek Kapoor, Shareholder no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5 & 6 of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 & 6 of the Notice for approval by the Shareholders.

#### Item No. 7

The Audit and Nomination and Remuneration Committee and Board of Directors at their respective meetings held on 26 September 2020 subject to the approval of the Shareholders, have approved the enhancement of

remuneration payable to Mr. Abhishek Kapoor from Rs. 2,50,000 (Rupees Two Lakhs Fifty Thousand) per month to Rs.5,39,000 (Rupees Five Lakhs Thirty Nine Thousand) per month. Mr. Abhishek Kapoor, holds office or place of profit in the Company as "Senior Vice-President - Strategy", being a relative of Dr. Atul Kapoor and Dr. Rashmi Kapoor Managing Director and Whole-time

Director respectively and such increase in remuneration requires approval of the Shareholders. The increased remuneration is payable with effect from 1 December 2020. The disclosures pursuant to para 3 of Explanation (1) to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are tabulated herein below:

S. No.	Particulars	Details
1.	Name of the related party	Mr. Abhishek Kapoor
2.	Name of the director or key managerial personnel who is related	Dr. Atul Kapoor, Managing Director Dr. Rashmi Kapoor, Whole Time Director
3.	Nature of relationship	Related as Son to Dr. Atul Kapoor and Dr. Rashmi Kapoor
4.	Nature, material terms, monetary value and particulars of the contract or arrangements	<p>a) Mr. Abhishek Kapoor was appointed as Senior Vice President - Strategy on 8 February 2017.</p> <p>b) As a part of performance appraisal of employees, his performance was evaluated, and the Nomination and Remuneration Committee, the Audit Committee and, at their respective meetings held on 26 September 2020 and the Board of Directors of the Company at their meeting held on 26 September 2020 have approved the enhancement of remuneration to Rs. 5,39,000 per month (all inclusive excluding variable component as mentioned), subject to the approval of the Shareholders of the Company at the AGM, to be effective from 1 December 2020.</p> <p>c) The Committees and the Board have reviewed the roles and responsibilities being undertaken by Mr. Abhishek Kapoor for analyzing the overall compensation and benefits to be provided to Mr. Abhishek Kapoor.</p> <p>d) Within the overall limits of remuneration as set out in the resolution, the Mr. Abhishek Kapoor shall be entitled to the allowances and perquisites and benefits as per the policies of the Company.</p>
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	Not Applicable

The remuneration details proposed for Mr. Abhishek Kapoor is presented as below:

**Remuneration:**

- Basic Salary : Rs. 4,60,000/- (Rupees Four Lakhs Sixty Thousand only) per month.
- Supplemental Allowance: Rs.79,000 (Rupees Seventy Nine Thousand only) per month.
- Performance Bonus/Benefit: The Senior Vice President - Strategy shall be paid yearly Performance Bonus/Benefit

with effect from 1 December 2020, at the following rates:-

**Variable Compensation**

Target	Normalized EBITDA Target Achievement	Incentive as %age of Normalized EBITDA
Less than 80% of Budget	80%	0%
Between 80% and 90% of Budget	90%	0.60%
Between 90% and 95% of Budget	95%	0.70%
Between 95% and 100% of Budget	100%	0.85%
Greater than Budget	125%	0.90%

He will be entitled to 25.0% of the total variable compensation as stated above.



**Notes:**

1. This arrangement will be for twenty eight (28) months starting 1 December 2020.
2. Increment in the fixed compensation, post twenty eight (28) months, will be referenced to the weighted average increment of the company's overall compensation levels (ex-clinicians) and performance level of the Company. Normalized EBITDA will be calculated on the basis of audited accounts subject to any normal variations in working capital.
3. The Company, Shareholders and Investors will review the compensation structure after twenty eight (28) months and will be objective of bringing the all inclusive compensation level to below 5.5%
4. Supplemental Allowance will include all kinds of perks except for medical insurance.
5. Variable compensation will be capped at the level of 125% of the normalized EBITDA.

**Benefits and Amenities:**

In addition to the salary, allowances and variable compensation as above, the Sr-Vice President -Strategy shall be entitled to the following Benefits and Amenities:-

- A. Gratuity: Up to half a month's salary for each completed year of service as per the provisions of the Indian Gratuity Act, 1972.
- B. Leave Encashment: As per the rules of the Company but not exceeding 15 days for every twelve months of completed service and unavailed Earned Leaves will be allowed to be encashed at the end of every calendar year. Provided, no leaves are allowed to be accumulated as per the policy of the company.  
  
Leave here means and includes:- 20 Days (subject to Maximum 15 days Earned leave can be encashed).
- C. Conveyance: The Company shall provide car with driver for discharge of official responsibilities by him.
- D. Telephone, Telefax and other communication facilities: The Company shall provide / reimburse expenses in respect of one or more cellular phones (with handset) for his use, and Telephone connections with STD & ISD facilities, fax connections, Cable Internet connections and other communication facilities at his residence.

Except Mr. Abhishek Kapoor, Dr. Atul Kapoor and Dr. Rashmi Kapoor no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 7 of this Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Shareholders.

**Item No. 8**

Mr. Rabindra Nath Mohanty (DIN:07895550) was appointed as an Independent Director on the Board of Directors of the Company in the AGM held on 26 September 2017 to hold office for a period of three (3) years with effect from 26 September 2017 (the date of AGM). In terms of Section 149 of the Companies Act, 2013, an Independent Director is eligible for re-appointment on passing of Special Resolution. Mr. Rabindra Nath Mohanty being eligible and offering himself for re-appointment, is proposed to be appointed as an Independent Director for a Second Term of three (3) years from the date of end of his tenure of the First Term. In the opinion of the Board, he fulfills the conditions specified in the Act and rules made thereunder for his re-appointment as an Independent Director of the Company and is independent of the Management. In the Performance Evaluation conducted for the year 2019-20, the performance of Mr. Rabindra Nath Mohanty was evaluated satisfactory in the effective and efficient discharge of his role and responsibilities as an Independent Director of the Company. The Board and its allied Committees have benefitted from his relevant specialization and expertise. The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 17 August, 2020, has approved the re-appointment of Mr. Rabindra Nath Mohanty as an Independent Director and recommends the same for the approval by the Shareholders of the Company by way of Special Resolution.

Except Mr. Rabindra Nath Mohanty, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 8 of this Notice.

The Board recommends the Special Resolution set out at Item No. 8 of the Notice for approval by the Shareholders.

Disclosures as required under ICSI Secretarial Standard SS-2 are set out in an Annexure to this Notice.

**Item No. 9**

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Arun Shrivastava (DIN: 06640892) as an Additional Director with effect from 2 December 2019 pursuant to Section 161(1) of the Companies Act, 2013 and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Arun Shrivastava will hold office only upto the date of ensuing AGM. The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Arun Shrivastava fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Mr. Arun Shrivastava, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of three (3) years from the



date of this AGM. Copy of the draft letter for appointment of Mr. Arun Shrivastava as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day till the date of AGM. The Board now recommends the same for the approval by the Shareholders of the Company.

Except Mr. Arun Shrivastava, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 9 of this Notice.

Disclosures as required under ICSI Secretarial Standard (SS-2) are set out in an Annexure to this Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the Shareholders.

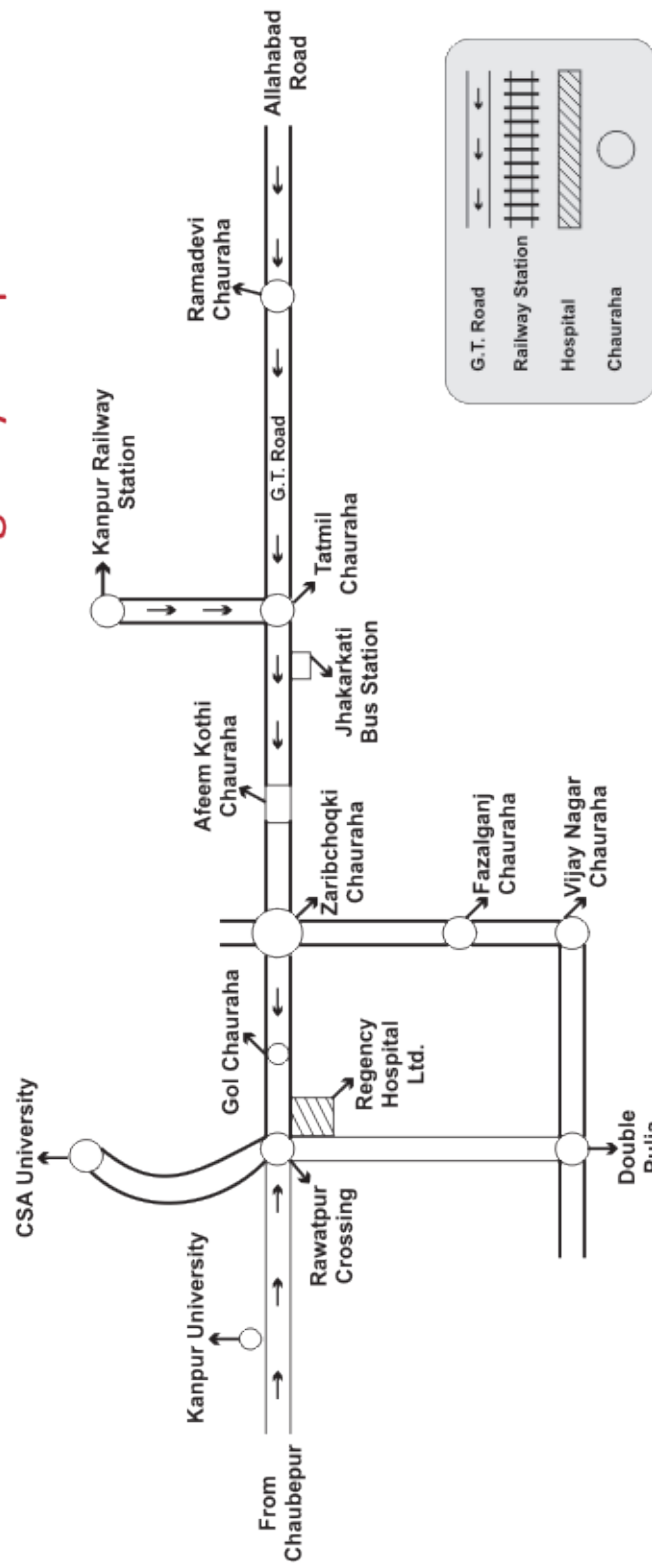
## ANNEXURE

### Information About Directors Seeking Appointment/ Re-appointment Pursuant to Secretarial Standard -2 (SS-2) Issued By Institute of Company Secretaries of India (ICSI) Is Furnished Below:

Particulars	Names of Directors			
	Atul Kapoor	Rashmi Kapoor	Rabindra Nath Mohanty	Arun Shrivastava
Age/Qualification	63 years/ M.B.B.S, M.S	63 years/ M.B.B.S, M.D	65 years/ M.Sc, CAI IB and L.L.B	63 years/M.Sc, CAIIB, AIBM
Experience	Dr. Atul Kapoor is a qualified surgeon having masters in surgery from GSVM Medical College, Kanpur. He had an excellent academic career having held commendable positions in MBBS. He possesses rich and vast experience of over 32 years and has a deep insight into the problems relating to the management of hospitals.	Dr. Rashmi Kapoor is associated with Regency Hospital as a Director, Department of Pediatrics in Pediatric Critical Care and ulmonology. She is the first pediatrician to start Pediatric flexible bronchoscopy in 2007 in the state of Uttar Pradesh.	Mr. Rabindra Nath Mohanty is a Banker with over 36 years of vast experience in framing Policy Guidelines on financing Priority Sector Credit including SME and Agriculture for the Bank. Co-ordinating with Ministry of Finance (DFS)/ RBI/ NABARD/ SIDBI /KVIC /NRLM and other Nodal Agencies at country level. He has Acted as Chief Liaison Officer of the Bank for SC/ST, Ex- SM and PH Employees etc.	Mr.Arun Shrivastava is a Banker with over 34 years of rich experience in all key segments of Banking particularly in Corporate credit in various capacities at branches and administrative offices in Bank of Baroda. He also served as M.D. and CEO of Syndicate Bank and implemented a Board Level strategic plan.
Terms & Conditions of Appointment/ Re-appointment	As per Board Resolution dated 27 February 2020, 3 June 2020 and AGM resolution forming part of this Notice		As per Board Resolution, AGM Resolution forming part of this Notice and Appointment Letter issued to respective Directors	
Remuneration last drawn	₹ 1,06,00,000	₹ 84,00,000	Nil, Only sitting fees is paid on the basis of Board Meeting and Committee Meeting attendance.	Nil, Only sitting fees is paid on the basis of Board Meeting attendance.
Date of first appointment on the Board	8 June 1987	8 June 1987	26 September 2017	2 December 2019
Shareholding in the company	27,02,260	34,33,502	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel	Related to Dr. Rashmi Kapoor as Husband Related to Mr. Abhishek Kapoor, Senior VP- Strategy as Father	Related to Dr. Atul Kapoor as Wife Related to Mr. Abhishek Kapoor, Senior VP- Strategy as Mother	Not related to any Director, Manager or KMP or their relatives	Not related to any Director, Manager or KMP or their relatives
Number of Meetings of the Board	Already being disclosed in Boards Report forming part of Annual Report 2019-20			
Name of Companies in which he/ she holds Directorship	1. Regency Hospital Limited 2. Regency Institute Of Nursing 3. Sibling Lifecare Private Limited 4. Regency Nephrocare Private Limited	1. Regency Hospital Limited 2. Regency Institute Of Nursing 3. Sibling Lifecare Private Limited	1. Regency Hospital Limited	1. Regency Hospital Limited 2. Atishay Limited 3. Canara Hsbc Oriental Bank Of Commerce Insurance Company Limited
Name of Committees of the Companies of which he/ she holds Membership	Regency Hospital Limited: • Audit Committee- Member • Stakeholders Relationship Committee- Member • Corporate Social Responsibility- Member • Risk Management Committee- Member	Regency Hospital Limited: • Stakeholder Relationship Committee- Member • Risk Management Committee- Member	Regency Hospital Limited: • Audit Committee- Chairman • Nomination and Remuneration Committee- Member	NA

## Route Map

### Regency Hospital Ltd.





## REGENCY HEALTH-NETWORK OF HOSPITALS

### **Regency Super Speciality Hospital**

A-2, Sarvodaya Nagar,  
Kanpur

**T- 0512-3501111**

### **Regency Gastro & Onco Centre**

A-4, Sarvodaya Nagar,  
Kanpur

**T- 0512-3502525**

### **Regency Renal Sciences Centre**

113/104, Swaroop  
Nagar, Kanpur

**T- 0512-3501616**

### **Regency City Clinic**

14/122, Ratan Unique Opp.  
P.P.N Market, Kanpur

**T- 0512-3501818**

### **Regency South Hospital**

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

**T- 0512-3502222**

### **Regency Super Speciality Hospital**

Plot 3,5&6, Khurram Nagar  
Ring Road, Lucknow

**T- 0522-3503232**

