
DHANVANTRI

JEEVAN REKHA LTD.

1, SAKET, MEERUT. Tel. 2648151, 2648152

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TENTH ANNUAL REPORT

DHANVANTRI JEEVAN REKHA LIMITED**NOTICE**

Notice is hereby given that the 10th **Annual General Meeting** of the members of M/s **DHANVANTRI JEEVAN REKHA LIMITED** will be held on Friday the 26th day of September, 2003 at Western U.P. Chamber of Commerce & Industry, Bombay Bazar, Meerut Cantt. at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2003 and the Profit & Loss Account for the year ended on that date alongwith the Report of the Directors and Auditors thereon.
2. Mr. P. K. Sharma, who retires by rotation, do not offer himself for re-appointment.
3. Mrs. Rowena Sharma, who retires by rotation, do not offers herself for re-appointment
4. To reappoint Director in place of Mr. Premjit S. Kashyap, who retires by rotation and being eligible offers himself for re-appointment.
5. To reappoint Director in place of Mr. Neeraj Jain, who retires by rotation and being eligible offers himself for re-appointment.
6. To declare Dividend on Equity Shares.
7. To reappoint M/s Vipin Nagar & Co., Chartered Accountants, Meerut as Auditors to hold the office until the conclusion of the next Annual General Meeting and to fix their remuneration

SPECIAL BUSINESS :

To consider and if thought fit, pass with or without modification the following resolution as Special Resolutions

8. **"RESOLVED** that pursuant to section 31 and other applicable provisions, if any of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner and to the extent as given herein below:

The Following Article be inserted in place of the Article 89(1):

Each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board, a fee upto maximum as prescribed by The Companies Act, 1956 per meeting of the Board or a Committee of the Board attended by him/her. The Director appointed (in pursuance of Article 101) shall also be entitled to receive a commission at such rate not exceeding 1% of the net profits of the Company computed in the manner referred to in sub section (1) of section 198 of the Act as may from time to time be determined by the board and the same shall be divided between them in such proportion as the Board may determine and in default of determination equally. All other remuneration, if any, payable by the Company to each Director, whether

DHANVANTRI JEEVAN REKHA LIMITED

in respect of his services as Managing Director or a Director in the whole or part time employment of the Company shall be determined in accordance with and subject to the provisions of these articles and of the Act."

9. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 96,000/- per annum to Dr. V.S. Phull, Managing Director of the Company with effect from 01.04.2002"
10. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 48,000/- per annum to Dr. G.P. Elhence, Director of the Company with effect from 01.04.2002".
11. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 48,000/- per annum to Dr. S.P. Gupta, Director of the Company with effect from 01.04.2002".
12. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 48,000/- per annum to Dr. S.P. Mithal, Director of the Company with effect from 01.04.2002".
13. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 48,000/- per annum to Dr. S.K. Khatri, Director of the Company with effect from 01.04.2002".
14. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 48,000/- per annum to Mr. Neeraj Jain, Director of the Company with effect from 01.04.2002"
15. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 48,000/- per annum to Mr. Davendra Singh, Director of the Company with effect from 01.04.2002".
16. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 48,000/- per annum to Mr. Abhimanyu Arora, Director of the Company with effect from 01.04.2002".

DHANVANTRI JEEVAN REKHA LIMITED

17. **"RESOLVED** that in accordance with the provisions of sections 198, 269, 309, 314 and schedule XIII and other applicable provisions of the Companies Act, 1956 and/or such other statutory provisions, as are applicable, the Company hereby approves the remuneration of Rs. 76,800/- per annum to Mr. Premjit S. Kashyap, Director of the Company with effect from 01.04.2002".
18. **"RESOLVED** that subject to the provisions of the applicable laws, guidelines, rules and regulations including the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956 and the rules framed there under and subject to approvals from stock exchanges with which the securities are listed, consent of the company be and is hereby accorded to the Board of Directors of the Company to seek voluntary delisting of the equity shares from The Uttar Pradesh Stock Exchange Association Ltd., Kanpur and The Delhi Stock Exchange Association Ltd., New Delhi".

FURTHER RESOLVED that the board of Directors of the company be and is hereby authorized to do and perform all such acts, deeds, and things as it may deem necessary and execute all deeds, agreements and writings as it may consider necessary for giving effect to this resolution".

For & on Behalf of the Board of Directors

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Sd/-

Place : Meerut
Date : 24.08.2003

(Dr. S.P. Gupta)
CHAIRMAN

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. Proxies, in order to be effective, must reach the registered office of the company not less than 48 hours before the meeting.
2. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
3. Members are requested to bring their Annual Report alongwith them as extra copies will not be supplied due to high cost of paper & printing.
4. A member desirous of obtaining any information on accounts of the company at the Annual General Meeting is requested to forward such queries to the company at least ten days prior to the meeting enabling the Management to keep the information ready.
5. The company's Register of Members and Share Transfer Book will remain closed from 23.09.2003 to 26.09.2003 (both days inclusive).

DHANVANTRI JEEVAN REKHA LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 8**

The proposed amendment of articles 89(1) of the Articles of Association of the Company envisages to increase the Fee from Rs. 500/- (Five Hundred Rupees) to a fee upto maximum as prescribed by the Companies Act, 1956 per Meeting of the Board of Directors or a Committee of the board attended by him. The above-referred increase in fees is in compliance with the amendment made to rule 10B of Companies (Central Government's) General Rules and Forms, 1956 vide Notification No. GSR 58(E) dt. 17.01.2000. The increase has been proposed with a view that the operations of the Company are expanding and there is a need of active role to be played by the Directors in operational and expansion activities.

All the directors are interested to the extent of the fee paid to them for attending the meeting of the Board or a Committee of the Board.

The Board recommends this resolution for the approval of the members.

Item No. 9 To 17

The Directors of the Company have been remunerated with effect from 01.04.2002 in view of increase in operational activities due to fully functional hospital project and the responsibilities undertaken by each of them to make it fully operational and its efficient working. The remuneration has been given in accordance with the involvement of the Directors in the operations of the Diagnostic centre cum Hospital.

The directors are interested to the extent of the remuneration paid to them.

The Board recommends these resolutions for the approval of the members.

Item No. 18

The volume of trading of the company's shares is very low. The company is working on thin margins. Further it is listed with The Stock Exchange, Mumbai (BSE). With a wide networking of centre of BSE, the investors have access to online dealings in the Company's Shares across the country and they will not be inconvenienced. Therefore, the directors have proposed to delist its shares from The Uttar Pradesh Stock Exchange Association Ltd., Kanpur and The Delhi Stock Exchange Association Ltd., New Delhi. Approval is required for Delisting as above. None of the directors is concerned or interested in the resolution.

None of the Directors are concerned or interested in the resolution except as Director of the Company.

The Board recommends these resolutions for the approval of the members.

For & on Behalf of the Board of Directors

Place : Meerut
Date : 24.08.2003

Sd/-
(Dr. S.P. Gupta)
CHAIRMAN

DHANVANTRI JEEVAN REKHA LIMITED**DIRECTORS' REPORT**

Dear Members,

Your Directors have the pleasure in presenting the 10th Annual Report of the company together with Financial Statements for the year ended on 31st March 2003.

FINANCIAL & OPERATIONAL REVIEW:**FINANCIAL RESULTS:**

S. Financial Heads No.	Rs in Lacs	
	Year ended 31.03.2003	Year ended 31.03.2002
1. Operating Income	184.22	174.87
2. Other Income	7.21	2.25
3. Gross Profits before depreciation & interest	72.01	79.70
4. Interest	0.12	04.39
5. Gross Profits after interest but before depreciation	71.89	75.31
6. Depreciation	35.90	35.09
7. Provision for Taxation	2.84	3.41
8. Deferred Tax Provision	25.37	14.59
9. Profit after Tax	58.52	22.22
10. Proposed Dividend	16.39	—
11. Corporate Dividend Tax thereon	2.10	—
12. Balance after taxation carried over to the Balance Sheet	40.02	22.22

During the year your Company has achieved a turnover of 184.22 Lac registering a marginal growth of 5% compared to 2001-02. The hospital has become fully operational and contributed to the growth rate of 5% in respect of volume inspite of the fierce competition. However, the overall profits have gone down on account of stiff competition in the Diagnostic activities resulting into lower volumes of the Diagnostic receipts, specially in the Radiology Department that had been a major contributory in terms of growth in value. The operational cost of the hospital is much higher as compared to the diagnostic operations. The increase in volumes of hospital operations have hence, resulted into high operational cost.

DHANVANTRI JEEVAN REKHA LIMITED

FUTURE OUTLOOK:

Your Company has been able to stabilise its hospital operations during the year under review. In view of its successful operations your Directors are positive that the Company shall be able to strengthen its presence in hospital operations. Further to increase the revenues the Company proposes to increase the bed strength to augment its indoor facilities which in turn will improve the diagnostic receipts

DIVIDEND:

Your Directors are pleased to recommend the maiden dividend of 4% on the equity share capital for the year ended on 31.03.2003, if approved by the shareholders at the ensuing Annual General Meeting.

AUDITORS:

M/s Vipin Nagar & Co., Meerut, auditors of the company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have also furnished a certificate to the company stating that their appointment if made, will be within the limits laid down under section 224 (1B) of The Companies Act, 1956.

CORPORATE GOVERNANCE:

The Company has complied with the guidelines prescribed by the Stock Exchanges on Corporate Governance. The Company has constituted Audit Committee, Share Transfer Committee and Investors' Grievances Redressal Committee. The details of compliance made by the Company along-with a certificate from the Auditors and Management Discussion and Analysis are as per Annexure - "A" and "B" respectively forming part of this report.

DIRECTORS:

Pursuant to section 256 of The Companies Act, 1956 Mr. P.K. Sharma, Mrs Rowena Sharma, Mr. Neeraj Jain and Mr. Premjit S. Kashyap Directors of the company retire by rotation in the ensuing Annual General Meeting. Mr. Neeraj Jain and Mr. Premjit S. Kashyap being eligible offer themselves for re-appointment. The Board recommends their reappointment. The information on the particulars of Directors seeking re-appointments as required under Clause 49 of the Listing Agreement executed with the Stock Exchanges, have been given under Corporate Governance (Annexure "A") of this report.

VOLUNTARY DELISTING OF THE COMPANY'S EQUITY SHARES FROM CERTAIN STOCK EXCHANGES:

The company's securities are listed on The Uttar Pradesh Stock Exchange Association Ltd., Kanpur, The Stock Exchange, Mumbai and The Stock Exchange Association Ltd., Delhi. The company has paid the listing fee for all the stock exchanges for the financial year 2003-04 and has complied with all the requirements of the listing agreement. The Equity Shares of the Company are compulsorily traded in dematerialised form.

DHANVANTRI JEEVAN REKHA LIMITED

The members may refer to Item No. 18 of the Notice of the Annual General Meeting and the Explanatory Statement attached thereto, whereby the Company proposes to delist its Equity Shares from all the Stock Exchanges excluding The Stock Exchange, Mumbai (BSE). With the aide and extensive networking centres of the BSE, the investors have access to online dealings in the Company's Shares across the country. The trading volumes of the Company's Equity Shares on the Stock Exchanges is overall very low, with the result the listing fee paid to the said Stock Exchanges do not offer commensurate benefits to the Company/its investors and the continued listing on the said Stock Exchanges is not considered necessary. The Board of Directors at the meeting held on 31st July 2003 has, therefore, decided to apply for voluntary delisting under the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, of the Company's Equity Shares from all the Stock Exchanges excluding BSE. Considering that the Equity Shares will continue to be listed on BSE, no exit option is required to be offered to the shareholders. The delisting would further contribute to the cost reduction initiative taken across various functional areas of the Company. The delisting of the Equity Shares from the said Stock Exchanges will not adversely affect any investor including the members located in the regions where the said Stock Exchanges are situated.

INFORMATION AS PER SECTION 217(I)(E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 & FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON 31ST MARCH 2003

A. CONSERVATION OF ENERGY:

Your company is not covered by the Schedule of industries under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 requiring furnishing of information regarding conservation of energy. However, the company does lay a great deal of emphasis on conservation of energy in all phases of operation.

B. TECHNOLOGY ABSORPTION : Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | |
|------------------------------|-----------------------|
| a) Foreign exchange Earnings | : NIL |
| b) Foreign exchange Outgo | : \$ 17280 (MRI coil) |

**RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS
as required under section 217(2AA) of The Companies Act, 1956**

Pursuant to the requirement U/s 217(2AA) of The Companies Act, 1956 with respect to Directors' Responsibility statement it is hereby confirmed:

- i) That in the preparation of accounts for the financial year ended on 31.03.2003 the applicable accounting standards have been followed along-with proper explanation relating to material departures;

DHANVANTRI JEEVAN REKHA LIMITED

- ii) That the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of The Companies Act, 1956 and for safeguarding the assets of the company and for preventing and detecting other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31.03.2003 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES:

Information in accordance with the provisions of Section 217 (2A) of The Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended regarding employees are not furnished as there is no employee in the company who falls in that category.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to place their sincere appreciation for the faith, guidance and support by the Medical Professionals, Business Associates, Company's Bankers and the shareholders during the year under review.

The Directors also wish to sincerely appreciate the dedication and commitment of each staff member during the year under review.

By Order of the Board of Directors

Place : Meerut

Dated : 24.08.2003

**Sd/-
(Dr. S. P. GUPTA)
Chairman**

DHANVANTRI JEEVAN REKHA LIMITED**REPORT ON CORPORATE GOVERNANCE****Company Philosophy on Code of Governance**

Your Company has always believed in managing its affairs with great diligence, responsibility and accountability. We feel a deep sense of pleasure while informing you that your company's existing policies and practices, speaking generally, are in conformity with the requirements stipulated under clause 49 of the listing agreement.

Compliance with the SEBI Code on Corporate Governance**1. BOARD OF DIRECTORS**

The Board of your Company has an optimal combination of seven Non Executive directors of which four are independent directors. The Non Executive Directors have their independent judgement in the Board's decision.

The composition of the Board is stated hereunder:

	Name of the Director	Category
1.	Dr. V.S.Phull, <i>Managing Director</i>	Executive
2.	Dr. S.P.Gupta, <i>Chairman</i>	Non-Executive
3.	Mr. P.S.Kashyap	Independent, Non-Executive
4.	Mr. Abhimanyu Arora	Independent, Non-Executive
5.	Mr. P.K.Sharma	Independent, Non-Executive
6.	Mrs. Rowena Sharma	Independent, Non-Executive
7.	Dr. G.P. Elhence	Executive
8.	Dr. S.P. Mittal	Non-Executive
9.	Dr. S.K. Khatri	Non-Executive
10.	Mr. Neeraj Jain	Executive
11.	Mr. Davender Singh	Executive

The Board of Directors are responsible for the strategies and policies, they provide a vision and leadership to the professional managers, and the organizational activities, decision making and management of the business of the company as a whole. The role, functions, responsibilities and accountability of the board are clearly defined and understood by the Board Functionaries, functions of Board also include :

- approving corporate policies
- decision making, evaluating organizational objectives, their effective implementation and result as compared to the objectives set.
- Participating in the formulation of strategic business plans
- Reviewing and approving financial plans and budgets
- Monitoring corporate performance against strategic business plans including overseeing operations.
- Ensuring compliance with laws and regulations
- Keeping the shareholders informed regarding plans, strategies and performance