

DHANVANTRI
JEEVAN REKHA LTD.

1, SAKET, MEERUT. Tel. 2648151, 2648152

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ELEVENTH ANNUAL REPORT

DHANVANTRI JEEVAN REKHA LIMITED

NOTICE

Notice is hereby given that the 11th **Annual General Meeting** of the members of M/s **DHANVANTRI JEEVAN REKHA LIMITED** will be held on Wednesday the 29th day of September, 2004 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 2004 and the Profit & Loss Account for the year ended on that date alongwith the Report of the Directors and Auditors thereon.
2. To reappoint Director in place of Mr. Abhimanyu Arora, who retires by rotation, and being eligible offers himself for re-appointment.
3. To reappoint Director in place of Dr. S.K. Khatri, who retires by rotation, and being eligible offers himself for re-appointment.
4. To reappoint Director in place of Dr. G.P. Elhence, who retires by rotation and being eligible offers himself for re-appointment.
5. To reappoint Director in place of Dr. S.P. Mithal, who retires by rotation and being eligible offers himself for re-appointment.
6. 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

7. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as an ordinary resolution :

"RESOLVED THAT Mrs. Meenakshi Elhence, who was appointed as additional director, who ceases to hold office at this Annual General Meeting and in respect of whom the Company has received a notice pursuant to Section 257 of The Companies Act, 1956, be and is hereby appointed a Director of the Company liable to retire by rotation".
8. To consider and if thought fit, to pass with or without modifications, if any, the following resolution as an ordinary resolution :

"RESOLVED THAT Mr. Deepak Kapoor, who was appointed as additional director, who ceases to hold office at this Annual General Meeting and in respect of whom the Company has received a notice pursuant to Section 257 of The Companies Act, 1956, be and is hereby appointed a Director of the Company liable to retire by rotation".

For & on Behalf of the Board of Directors

Place : Meerut
Date : 01.09.2004

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

DHANVANTRI JEEVAN REKHA LIMITED

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 27.09.2004 to 29.09.2004 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 7

Mrs. Meenakshi Elhence was appointed an Additional Director of the company pursuant to section 260 of The Companies Act, 1956 in the Board meeting held on 1st September 2004. She holds the office of Director of the company up to the date of the Annual General Meeting. A notice along-with necessary deposit has been received from the member as required by the Section 257 of The Companies Act, 1956 proposing the name of Mrs. Meenakshi Elhence as the candidate for the office of Director.

Your Board recommends that the resolution set out under Item No. 7 of convening notice to be adopted. No other director except Mrs. Meenakshi Elhence and Dr. G.P. Elhence is interest in the said resolution.

Item No. 8

Mr. Deepak Kapoor was appointed an Additional Director of the company pursuant to section 260 of The Companies Act, 1956 in the Board meeting held on 1st September 2004. He holds the office of Director of the company up to the date of the Annual General Meeting. A notice along-with necessary deposit has been received from the member as required by the Section 257 of The Companies Act, 1956 proposing the name of Mr. Deepak Kapoor as the candidate for the office of Director.

Your Board recommends that the resolution set out under Item No. 7 of convening notice to be adopted. No other director except Mr. Deepak Kapoor is interest in the said resolution.

For & on Behalf of the Board of Directors

Place : Meerut
Date : 01.09.2004

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

DHANVANTRI JEEVAN REKHA LIMITED

Registered Office : 1, Saket, Meerut, U.P.

DIRECTORS' REPORT**Dear Members,**

Your Directors have the pleasure in presenting the 11th Annual Report of the company together with Financial Statements for the year ended on 31st March 2004.

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

		(Rs in Lacs)	
S. No.	Financial Heads	Year ended 31.03.2004	Year ended 31.03.2003
1.	Operating Income	198.61	184.22
2.	Other Income	6.71	7.21
3.	Gross Profits before depreciation & interest	71.40	72.01
4.	Interest	0.24	0.12
5.	Gross Profits after interest but before depreciation	71.16	71.89
6.	Depreciation	37.42	35.90
7.	Provision for Taxation	2.60	2.84
8.	Deferred Tax Provision	3.74	25.37
9.	Profit after Tax	27.40	58.52
10.	Proposed Dividend	NIL	16.39
11.	Corporate Dividend Tax thereon	NIL	2.10
12.	Balance after taxation carried over to the Balance Sheet	27.40	40.02

Your Company achieved a turnover of Rs. 198.61 lacs as against Rs. 184.22 Lac in 2002-03. Thus registering a growth of 8%. Profit before Interest and Depreciation has been stable at Rs. 72 lacs approx. in the year under review and the preceding year. The Company has registered a profit of Rs. 30.81 Lac after provision for current tax and ignoring the deferred tax as against the profit after tax of Rs. 33.16 Lac in the immediately preceding year 2002-03. The profits have gone down marginally on account of increase in the operational cost of the Company. With the current expansion plan the Company foresees increase in operations resulting into higher profits.

DHANVANTRI JEEVAN REKHA LIMITED

In view of the proposed expansion the Company has acquired the adjoining plot located at 2-Saket, Meerut. The overall project cost estimated for the purpose of expansion activities is Rs. 355 Lac against which Punjab National Bank, Civil Lines, Saket, Meerut has sanctioned a term loan of Rs. 230 Lacs and the balance investment shall be made by the Company from its internal accruals.

FUTURE OUTLOOK:

Your Company has not only been able to stabilise its hospital operations during the year under review but also plans for further expansion by way of increasing the bed capacity in the Hospital and also adding some more specialities. Thus, with the expansion plan, the Company will be able to spread its operational cost on increased operations, thereby earning higher profits.

DIVIDEND:

In view of expansion of operational activities proposed by the Company, the Directors do not propose any dividend for the year 2003-04.

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, Remuneration 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. Abhimanyu Arora, Dr. S.K. Khatri, Dr. G.P. Elhence and Dr. S.P. Mithal, Directors of the company retire by rotation in the ensuing Annual General Meeting and 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") forming part of this report.

LISTING ON STOCK EXCHANGE:

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.

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INFORMATION AS PER SECTION 217(1)(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 2004

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 | : NIL |

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 31.03.2004 the applicable accounting standards have been followed along-with proper explanation relating to material departures;
- 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 31.03.2004 on a 'going concern' basis.

PARTICULARS OF EMPLOYEES:

The provisions of Section 217 (2A) of The Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not applicable, as there is no employee drawing remuneration beyond the stipulated amount provided in the said rules.

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ACKNOWLEDGEMENT:

Your Directors take this opportunity to place their sincere appreciation for the faith, guidance and support by the Consultants, 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.

Place : Meerut

Dated : 01.09.2004

By Order of the Board of Directors

Sd/-

(Dr. S. P. GUPTA)

Chairman



DHANVANTRI JEEVAN REKHA LIMITED**CORPORATE GOVERNANCE****Company's Philosophy on Corporate Governance**

Your Company firmly believes in the unwavering commitment to uphold, sound corporate governance standards and the four principles of corporate governance - transparency, fairness, disclosures and accountability that will ensure sustainable, long term growth maximizing value for its shareholders, customers, employees and society at large.

The Securities and Exchange Board of India (SEBI) has specified certain mandatory governance practice, which are incorporated in clause 49 of the Listing Agreement of Stock Exchanges. These practices form the integral part of the company's governance culture.

1. BOARD OF DIRECTORS

As on March 2004, the Company's Board of Directors consist of ten Directors. Of these, three are Executive Directors, seven are Non-Executive Directors and four are non-executive and independent Directors. As the Chairman is a non-executive director, one-third Directors are independent Directors, the composition is in consonance with clause 49. Details of the composition are given in Table 1.

TABLE 1: DETAILS ABOUT COMPANY'S BOARD OF DIRECTORS / ATTENDANCE RECORD

Director	Number of Board Meeting		Attendance at Last AGM	Number of Committee memberships held	Number of Committee Chairman-ships held	Number of outside Directorships held
	Held	Attended		(Excluding Private Companies, Foreign Companies and Section 25 Companies)		
Executive Directors						
Dr. V.S. Phull	10	10	Yes	None	None	None
Dr. G.P. Elhence	10	9	No	None	None	None
Mr. Devendra Singh	10	8	Yes	None	None	None
Mr. Neeraj Jain*	10	4	Yes	None	None	None
Non-Executive Directors						
Dr. S.P. Gupta	10	10	Yes	None	None	None
Dr. S.P. Mithal	10	10	Yes	None	None	None
Dr. S.K. Khatri	10	10	Yes	None	None	None
Non-Executive and Independent Directors						
Mr. P.K. Sharma*	10	1	Yes	None	None	14
Mrrs. Rowena Sharma*	10	None	No	None	None	14
Mr. Premjit S. Kashyap	10	10	Yes	None	None	1
Mr. Abhimanyu Arora	10	10	Yes	None	None	None
Ms. Priyanka Sharma*	10	1	No	None	None	None
Ms. Shalini Sharma*	10	None	No	None	None	None

Note: * Mr. P.K. Sharma, Mrs. Rowena Sharma resigned from the Directorship and Ms. Priyanka Sharma and Ms. Shalini Sharma were appointed Directors in their place at the AGM held on 26.09.2003. Mr. Neeraj Jain who retired by rotation at the AGM held on 26.09.03 was not re-elected.

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BOARD MEETINGS

During 2003-04, the Board of Directors met 10 times on 10th May 2003, 19th June 2003, 30th June, 2003, 31st July, 2003, 24th Aug. 2003, 26th Sept. 2003, 29th Oct. 2003, 10th Dec. 2003, 30th January 2004 and 30th March 2004.

The longest gap between any two Board Meetings did not exceed the period of 3 months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Details are given in Table 1.

AUDIT COMMITTEE

The audit committee was set-up as per the provisions of section 292 A of The Companies Act, 1956 and clause 49 of the Listing Agreement of the Stock Exchange(s). As on March 2004, the committee had three Non-Executive and Independent Directors in accordance with the prescribed guidelines. The Company Secretary of the company shall act as the Secretary of the committee. The role and terms of reference of the Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement with the Stock Exchanges besides other terms as may be referred by the Board of Directors.

TABLE 2: DETAILS OF THE AUDIT COMMITTEE

Director	Category	No. of Meetings held	No. of Meetings attended
Mr. Premjit S. Kashyap	Chairman	4	4
Mr. Abhimanyu Arora	Member	4	4
Dr. S.K. Khatri	Member	4	4
Mr. Pankaj Gupta	Company Secretary	4	4

The composition, functions and procedures of the Audit Committee are in conformity with the requirements of Clause 49 (II) of the Listing Agreement and that of Section 292A of The Companies Act, 1956.

Date of Meeting :

The Audit Committee met four times in the year under review - 18.06.2003, 04.08.2003, 29.10.2003 and 29.01.2004. The attendance record of the members of the Committee is given in Table 2.

REMUNERATION

The directors' remuneration policy of your company confirms with the provisions under The Companies Act, 1956. Remuneration of the Non-Executive Directors is determined by the Board of Directors.

The details of payment of sitting fees, professional fees to the Non Executive Directors during the year 2003-2004 are given below :

DHANVANTRI JEEVAN REKHA LIMITED**TABLE 3: REMUNERATION TO EXECUTIVE DIRECTORS**

Executive Directors	Remuneration	Board Meetings	Professional Fees	Total
1. Dr. G.P. Elhence	48,000	6,000	22,445	76,445
2. Mr. Neeraj Jain	NIL	2,000	—	2,000
3. Davendra Singh	48,000	5,000	—	53,000

TABLE 4: REMUNERATION PAID TO MANAGING DIRECTOR FOR THE YEAR 2003-2004 IS AS UNDER

Name	Remuneration	Board Meetings	Professional Fees	Total
1. Dr. V.S. Phull	96,000	5,500	2,000	1,03,500

TABLE 5: REMUNERATION PAID TO NON-EXECUTIVES DIRECTORS :

Non-Executive Directors	Board Meetings	Committee Meetings	Professional Fees	Total
1. Dr. S.P. Mithal	6,500	48,000	—	54,500
2. Dr. S.P. Gupta	6,500	48,000	5,220	59,720
3. Dr. S.K. Khatri	5,500	48,000	—	53,500
4. Mr. Abhimanyu Arora	6,500	48,000	—	54,500
5. Mr. Premjit S. Kashyap	6,500	76,000	—	82,500
6. Mr. P.K. Sharma	500	—	—	500
7. Mrs. Rowena Sharma	—	—	—	—
8. Ms. Priyanka Sharma	1,000	—	—	1,000
9. Ms. Shalini Sharma	—	—	—	—

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Committee is authorised to redress shareholders complaints like delay in transfer, non-receipt of securities, Balance Sheet, Dividend or Interest etc. The composition is stated hereunder. There are no pending complaints at the end of the financial year.

Composition of Shareholders Grievance Committee :

1. Dr. S.P. Gupta - Chairman
2. Dr. V.S. Phull - Member
3. Dr. G.P. Elhence - Member