

DHANVANTRI JEEVAN REKHA LTD.

NUMBER ONE, SAKET, MEERUT. Tel. : 2648151, 2648152

TWELFTH ANNUAL REPORT

DHANVANTRI JEEVAN REKHA LIMITED**NOTICE**

Notice is hereby given that the 12th **Annual General Meeting** of the members of M/s **DHANVANTRI JEEVAN REKHA LIMITED** will be held on Wednesday the 28th day of September, 2005 at Western U. P. Chamber of Commerce & Industry, Bombay Bazar, Meerut Cantt. at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2005 and the Profit & Loss Account for the year ended on that date along with the Report of the Directors and Auditors thereon.
2. To reappoint Director in place of Dr. Virendra Singh Phull, who retires by rotation, and being eligible offers himself for re-appointment.
3. To reappoint Director in place of Dr. Surendra Prakash Gupta, who retires by rotation, and being eligible offers himself for re-appointment.
4. To reappoint Director in place of Sh. Davendra Singh, who retires by rotation and being eligible offers himself for re-appointment.
5. 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:

6. To consider and if thought fit, pass with or without modification the following resolution as the Ordinary Resolution:

"RESOLVED that pursuant to provisions of section 269, 309 and other applicable provisions, if any, of The Companies Act, 1956, the Company hereby approves the appointment of Dr. V.S.Phull as Managing Director of the Company for a term of one years upto 25.08.2006 upon terms and conditions set out in the agreement entered with him, which agreement is hereby specifically approved with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed between the Board of Directors and Dr. V.S. Phull.

For & on Behalf of the Board of Directors

Place: Meerut
Date : 26.08.2005

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. Members are requested to bring their Annual Report along with them as extra copies will not be supplied due to high cost of paper & printing.
3. 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.
4. The company's Register of Members and Share Transfer Book will remain closed from 26.09.2005 to 28.09.2005 (both days inclusive).

EXPLANATORY STATEMENT

Pursuant to section 173 (2) of The Companies Act, 1956

As required by Section 173 of The Companies Act, 1956, the following explanatory statements set out all material facts relating to the business mentioned under item 6 of the accompanying notice dated 26.08.2005

Item No. 6:

The Board had by a resolution passed on 26.08.2005 re-appointed Dr. V.S. Phull as Managing Director of the Company for a period of one year keeping in view his qualification and experience with the Company from its incorporation and in handling the day to day affairs of the company since his last five years tenure as Managing Directors of the Company.

The Board is of the view that his re-appointment as Managing Director will be beneficial to the Company.

None of the Directors except Dr. V.S. Phull is concerned or interested in the resolution.

For & on Behalf of the Board of Directors

Place: Meerut
Date : 26.08.2005

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

DHANVANTRI JEEVAN REKHA LIMITED
Registered Office : Number One, Saket, Meerut, U.P.

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 12th Annual Report of the company together with Financial Statements for the year ended on 31st March 2005.

FINANCIAL & OPERATIONAL REVIEW:

FINANCIAL RESULTS:

(Rs in Lacs)

| S.No. | Financial Heads | Year ended 31.03.2005 | Year ended 31.03.2004 |
|--------------|--|----------------------------------|----------------------------------|
| 1. | Operating Income | 201.21 | 198.61 |
| 2. | Other Income | 4.76 | 6.71 |
| 3. | Gross Profits before depreciation & interest | 47.40 | 71.40 |
| 4. | Interest | 14.19 | 0.24 |
| 5. | Gross Profits after interest but before depreciation | 33.21 | 71.16 |
| 6. | Depreciation | 39.47 | 37.42 |
| 7. | Provision for Taxation | — | 2.60 |
| 8. | Deferred Tax Provision | (0.38) | 3.74 |
| 9. | Profit after Tax | (5.88) | 27.40 |
| 10. | Proposed Dividend | Nil | Nil |
| 11. | Corporate Dividend Tax thereon | Nil | Nil |
| 12. | Balance after taxation carried over to the Balance Sheet | (5.88) | 27.40 |

Your Company achieved a turnover of Rs. 201.21 Lac as against Rs. 198.61 Lac in 2003-04. Thus registering a growth of 1%. During the year under review, the hospital activities had gone up in comparison with the diagnosis activities thereby reducing the margin of earning of the Company and resulting into a an increase in the operational cost and reduction of Gross Profit by 47%. The Company has suffered a loss of Rs. 5.88 Lac after provision for current tax and taking effect of deferred tax as at 31.03.2005 as against the profit after tax of Rs. 27.40 Lac in the immediately preceding year 2003-04.

DHANVANTRI JEEVAN REKHA LIMITED

During the year under review the Company has expanded its activities in the field of Cardiology by making a fully operational Cath Lab and Cardiac Care Unit (CCU).

FUTURE OUTLOOK

The Health Care Industry is a sun rise industry. Due to increasing consciousness about good health in the society, preference for non-invasive procedures, increasing incidence of coronary heart diseases among young generation and growing popularity of medical insurance, the demand for quality health care facilities has gone up. The company has established its name for quality health care and fair practices due to which there is acute shortage of beds in the hospital. In view of this your directors have decided to go for expansion of hospital facilities. Even otherwise, the expansion of hospital facilities has become inevitable for survival of the company as the general criteria for empanelment by insurance.

companies and other organizations for 'B' class city is a minimum bed strength of 100. The expansion in hospital facilities will result into increasing use of existing diagnostic facilities of the company and improving its top line.

Once the expansion is completed the Hospital will be eligible for empanelment with various organizations which will result into increase in its profitability.

DIVIDEND:

In view of loss during the current year, the Directors do not propose any dividend for the year 2004-05.

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 Dr. Virendra Singh Phull, Dr. Surendra Prakash Gupta and Sh. Devendra Singh, 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") of this report.

MANAGING DIRECTOR:

Dr. V.S. Phull was re-appointed Managing Director duly approved by the Board in their meeting held on 26.08.2005 subject to the approval of the Shareholders. The necessary resolution for obtaining approval of the shareholders for appointment of Dr. V.S. Phull as Managing Director of the Company has been included in the notice of the forthcoming Annual General Meeting.

DHANVANTRI JEEVAN REKHA LIMITED**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 2004-05 and has complied with all the requirements of the listing agreement.

REGISTRAR AND SHARE TRANSFER AGENT

M/s Alankit Assignments Ltd. are the Registrar & Share Transfer Agent of the Company. However, vide Board resolution dated 26.08.05, it has been proposed to appoint M/s Beetal Financial & Computer Services Pvt. Ltd., New Delhi, as Registrar And Share Transfer Agents in place of M/s Alankit Assignments Ltd.

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 2005**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 | : Rs 1,01,16,000/- |

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 31.03.2005 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 judgments 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;

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- iv) That the Directors have prepared the accounts for the financial year ended 31.03.2005 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.

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. They also place on record their appreciation of the contributions made by every member of the DJRL family.

For & on Behalf of the Board of Directors

Place: Meerut
Date : 26.08.2005

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



DHANVANTRI JEEVAN REKHA LIMITED**CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Your Company is committed to good corporate governance. The Company respects the rights of its shareholders to information on the performance of the Company and it is its endeavor to maximize the long-term value to the shareholders of the Company. The Compliance Report is prepared and given below in conformity with the mandatory requirements of listing agreements of listing agreement with the Stock Exchanges.

1. BOARD OF DIRECTORS

As on March 2005, the Company's Board of Directors consists of twelve Directors. Of these, three are Executive Directors and nine are Non-Executive Directors. Out of the nine Non-Executive Directors four are 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 Chairmanships held | Number of outside Directorships held |
|--|-------------------------|----------|------------------------|---|--|--------------------------------------|
| | Held | Attended | | (Excluding Private Companies, Foreign Companies and Section 25 Companies) | | |
| Executive Directors | | | | | | |
| Dr. V.S. Phull | 7 | 6 | Yes | None | None | None |
| Dr. G.P. Elhence | 7 | 5 | Yes | None | None | None |
| Mr. Devendra Singh | 7 | 4 | Yes | None | None | None |
| Non-Executive Directors | | | | | | |
| Dr. S.P. Gupta | 7 | 5 | Yes | None | None | None |
| Dr. S.P. Mittal | 7 | 7 | Yes | None | None | None |
| Dr. S.K. Khatri | 7 | 7 | Yes | None | None | None |
| Ms. Shalini Sharma | 7 | None | No | None | None | None |
| Mrs. Meenakshi Elhance | 7 | 3 | Yes | None | None | None |
| Non-Executive and Independent Directors | | | | | | |
| Mr. Premjit S. Kashyap | 7 | 7 | Yes | None | None | None |
| Mr. Abhimanyu Arora | 7 | 7 | Yes | None | None | None |
| Ms. Priyanka Sharma | 7 | None | No | None | None | None |
| Mr. Deepak Kapoor | 7 | 2 | Yes | None | None | Two |

DHANVANTRI JEEVAN REKHA LIMITED**BOARD MEETINGS**

During 2004-05, the Board of Directors met 7 times on 10th June 2004, 30th June 2004, 30th July 2004, 1st Sept. 2004, 16th Oct. 2004, 31st Oct. 2004 and 28th Jan. 2005.

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

DIRECTORS' ATTENDENCE RECORD AND DIRECTORSHIPS

Details are given in Table 1.

AUDIT COMMITTEE

The Audit Committee was set up as per the provisions of clause 49 of the Listing Agreement of the Stock Exchange(s). As on March 2005, the committee had three Non-Executive and Two Independent Directors in accordance with the prescribed guidelines. The Company Secretary of the company acts 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 attended | Category | No. of meetings held | No. of meetings |
|-------------------------|-------------------|----------------------|-----------------|
| *Mr. Premjit S. Kashyap | Chairman | 5 | 1 |
| Mr. Deepak Kapoor | Chairman | 5 | 4 |
| Mr. Abhimanyu Arora | Member | 5 | 5 |
| Dr. S.K. Khatri | Member | 5 | 5 |
| Mr. Pankaj Gupta | Company Secretary | 5 | 5 |

*During the year under review there was change in composition of the Audit Committee due to which Mr. Deepak Kapoor was appointed as Chairman of the Audit Committee in place of Mr. Premjit S. Kashyap who resigned as Chairman and member of Audit Committee and the said change was duly approved by the Board vide its resolution passed on 16.10.2004. During the tenure of Mr. Premjit S. Kashyap there was just one meeting of the Audit Committee held on 10.06.2004, which was duly presided by him as Chairman.

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 five times in the year under review – 10.06.2004, 16.10.2004 25.01.2005, 07.02.2005 and 07.03.2005. The attendance record of the members of the Committee is given in Table 2.

DHANVANTRI JEEVAN REKHA LIMITED**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 2004-2005 are given below:

TABLE 3 REMUNERATION TO EXECUTIVE DIRECTORS.

| Executive Directors | Remuneration | Board Meetings | Professional Fees | Total |
|-----------------------|--------------|----------------|-------------------|--------|
| 1. Dr G. P. Elhence | Nil | 5000 | 14,790 | 19,790 |
| 2. Mr. Davendra Singh | Nil | 4000 | - | 4000 |

TABLE 4 : REMUNERATION PAID TO MANAGING DIRECTOR FOR THE YEAR 2004-2005 IS AS UNDER:

| Name | Remuneration | Board Meetings | Professional Fees | Total |
|-------------------|--------------|----------------|-------------------|-------|
| 1. Dr. V.S. Phull | Nil | 6000 | 2000 | 8000 |

TABLE 5 REMUNERATION PAID TO NON- EXECUTIVES DIRECTORS:

| Non – Executive Directors | Board Meetings | Committee Meetings | Professional Fees | Total |
|------------------------------|----------------|--------------------|-------------------|--------|
| 1. Dr. S .P. Mithal | 7000 | - | - | 7000 |
| 2. Dr. S. P. Gupta | 5000 | - | 11,950 | 16,950 |
| 3. Dr. S. K. Khatri | 7000 | - | - | 7000 |
| 4. Mr. Abhimanyu Arora | 7000 | - | - | 7000 |
| 5. Mr. Premjit Singh Kashyap | 7000 | - | - | 7000 |
| 6. Ms. Shalini Sharma | - | - | - | - |
| 7. Mrs. Meenakshi Elhence | 3000 | - | - | 3000 |
| 8. Ms. Priyanka Sharma | - | - | - | - |
| 9. Mr. Deepak Kapoor | 2000 | - | - | 2000 |

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Committee is authorised to redress shareholders complaints like delay in transfer, non-receipt of securities, Balance Sheet, Dividend 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. Mrs. Meenakshi Elhence - Member