



**DHANVANTRI**  
**JEEVAN REKHA LTD.**

**SEVENTEENTH ANNUAL REPORT**

# **DHANVANTRI JEEVAN REKHA LIMITED**

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## **NOTICE**

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Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the members of M/s DHANVANTRI JEEVAN REKHA LIMITED will be held on Wednesday the 29<sup>th</sup> day of September, 2010 at Western U.P. Chamber of Commerce & Industry, Bombay Bazar, Meerut Cantt., Meerut at 11.00 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2010 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 Mr. Premjit S Kashyap, who retires by rotation, and being eligible offers himself for re-appointment.
3. To reappoint Director in place of Mrs. Meenakshi Elhence, who retires by rotation, and being eligible offers herself for re-appointment.
4. To reappoint Director in place of Mr. Abhimanyu Arora, 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

**For & on Behalf of the Board of Directors**

Sd/-

**Place : Meerut**  
**Date : 31-07-2010**

**(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. Members are requested to bring their Annual Report alongwith 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 on 27.09.2010 to 29.09.2010.(both days inclusive)

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

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## **DIRECTORS' REPORT**

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**Dear Members,**

Your Directors have the pleasure in presenting the 17<sup>th</sup> Annual Report of the company together with Financial Statements for the year ended on 31<sup>st</sup> March 2010.

### **FINANCIAL & OPERATIONAL REVIEW:**

#### **FINANCIAL RESULTS:**

(Rs. in Lacs)

S.No.	Financial Heads	Year ended 31.03.2010	Year ended 31.03.2009
1.	Operating Income	347.72	269.28
2.	Other Income	7.60	4.92
3.	Gross Profits before depreciation & interest	81.33	72.81
4.	Interest	1.03	4.91
5.	Gross Profits after interest but before depreciation	80.30	67.90
6.	Depreciation	49.56	48.83
7.	Profit Before Tax	30.74	19.07
8.	Provision for Taxation	16.88	2.41
9.	Deferred Tax Provision	7.06	8.99
10.	Profit after Tax	6.79	7.67
11.	Balance after taxation carried over to the Balance Sheet	6.79	7.67

During the year under review the revenue of the company has increased to Rs. 348 Lac registering a growth of 29% as against the revenue of Rs. 269 Lac for the previous year ended on March 31 2009. The Pre Tax Profit has increased by 61% while the Post Tax Profits of Rs. 6.79 Lac for the year ended March 31 2010 have registered decline by 12% in comparison of Rs. 7.67 Lac in the previous year ended on 31.03.2009. This is mainly on account of higher tax liability calculated at normal rates, as the company had used its MAT credit completely in the previous year.

Your Directors are happy to inform you that the company is debt free as on date, this is particularly significant as the company shall raise funds for the proposed expansion activity in order to earn higher revenues.

### **FUTURE OUTLOOK**

Your Company will continue to focus on both development and expansion of its operational activities. With more people taking health insurance coverage the dynamics of hospital industry is also changing at a fast pace, the patients and their attendants are seeking more comfort just like any other hospitability industry. To keep pace with their expectation and need of the business, your Company proposes to go in for construction of indoor facility with all modern facilities in the new block.

In addition to above, managing margins through judicious pricing and sustained efficiencies and cost saving will receive constant attention.

### **DIVIDEND:**

In view of sufficient profits and expansion of operational activities proposed by the company, the directors

do not propose any dividend for the year 2009-10.

### **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. Premjit Singh Kashyap, Ms Meenakshi Elhence and Mr. Abhimanyu Arora 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.

### **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 2009-10 and has complied with all the requirements of the listing agreement.

### **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 2010**

#### **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 31.03.2010 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 judgment 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 31.03.2010 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 would like to acknowledge the continued support and co-operation from the Bankers, Govt. Bodies, Medical Professionals, Business Associates, and the shareholders during the year under review.

The relation between the employees and the management during the year, have been cordial. The Directors wish to thank all the employees for the continued support and co-operation during the year under review.

**By Order of the Board of Directors**

Sd/-

**Place : Meerut  
Date : 31.07.2010**

**(Dr. S.P. GUPTA)  
Chairman**

## **CORPORATE GOVERNANCE**

### **Company's Philosophy on Code of Governance**

At Dhanvantri, we believe in the philosophy of serving the society through service industry. This philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, patients, consultants, associates and community at large which has always propelled the company towards higher horizons.

The company's Board of Directors contributory factor is self regulatory system of prompt reporting, monitoring and voluntary code of practice and standards which improve its effectiveness, supervision and accountability to consultants, government bodies, stakeholders and other constituents.

Your Company believes that building a culture of compliance is more than meeting regulations and standards. Your Company is always pro active in meeting mandated standards and practicing Corporate governance in spirit and not just letter of the law.

### **BOARD OF DIRECTORS**

Non executive Directors/Independent Directors are committed to maintenance of high level of Corporate Governance and as such the do not have any material pecuniary relationship with the Company except as stated in the Corporate Governance Report.

As on March 2010, the Company's Board of Directors consists of ten Directors. Of these, two are Executive Directors, eight are Non-Executive Directors and three 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. There is no Nominee Director on the Board of the Company. Details of the composition are given in Table 1.

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

Director	Number of Board Meetings		Attendance at Last AGM	Number of Committee memberships held	Number of Committee Chairmanship held	Number of outside Directorships held
	Held	Attended		(Excluding Private Companies, Foreign Companies and Section 25 Companies)		
<b>Executive Directors</b>						
Dr. V.S. Phull	10	10	Yes	None	None	1
Dr. G.P. Elhence	10	10	Yes	None	None	None
<b>Non-Executive , Directors</b>	-	-				
Dr. S.P. Gupta	10	10	Yes	None	None	None
Dr. S.P. Mittal	10	10	Yes	None	None	None
Dr. S.K. Khatri	10	10	Yes	None	None	2
Ms. Shalini Sharma	10	-	No	None	None	None
Mrs. Meenakshi Elhence	10	10	Yes	None	None	1
<b>Non-Executive and Independent Directors</b>	-	-				
Mr. Premjit S. Kashyap	10	10	Yes	None	None	2
Mr. Abhimanyu Arora	10	10	Yes	None	None	None
Ms. Priyanka Sharma	10	-	No	None	None	None

## **BOARD MEETINGS**

During the year 2009-10 the Board of Directors met 10 times on 05.05.2009, 30.05.2009, 27.06.2009, 31.07.2009, 26.08.2009, 31.10.2009, 30.11.2009, 30.01.2010, 09.03.2010, & 28.03.2010.

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

## **DIRECTORS' ATTENDENCE RECORD AND DIRECTORSHIPS**

Details are given in Table 1.

## **DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

Pursuant to the requirements of the Listing Agreement of Stock Exchange on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed is given hereunder.

Mr. Premjit S. Kashyap, Mrs. Meenakshi Elhence and Mr. Abhimanyu Arora who are Directors liable to retire by rotation, being eligible offer themselves for reappointment in the forthcoming AGM.

The brief resume of all the Directors liable to retire by rotation at the ensuing Annual General Meeting are given as under:

1. Mr. Premjit S. Kashyap S/o Late Sh. B.P. Singh R/o C-17 Defence Colony, Meerut, aged 47 years, is Chartered Accountant who has been in practice since August 1986. He specializes in consultancy matters related to Income Tax, RBI, SEBI, Company Law and Corporate Finance and representing the clients before Income Tax Authorities including Income Tax Appellate Tribunal, Central Board of Direct Taxes, and Commissioner of Income Tax. He has been elected as Professional Director in Zila Sahkari Bank Ltd, Meerut and Director in Sahkari Awas Nirman Avam Vitya Nigam Ltd, Lucknow.
2. Mrs. Meenakshi Elhence W/o Dr. Anil Elhence R/o A-130 Shastri Nagar, Meerut, aged 43 years is an Arts Graduate, having six years working experience in the Company itself.
3. Mr. Abhimanyu Arora S/o Sh. Kishan Chand R/o A-153 Defence Colony, Meerut, aged 62 years is an Arts Graduate managing his family business since last 40 years and holds a wide experience in managing the company's operations.

## **CODE OF CONDUCT**

The Board of Directors of the Company has laid a Code of Conduct for Directors and the senior management. The Code of Conduct is posted on the company's website. All Directors and designated personnel in the senior management have affirmed compliance with the code for the year under review. A declaration to this effect duly signed by Dr. V.S. Phull, Managing Director, is annexed to this report.

## **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 2010, the committee had two Non-Executive and Independent Directors and one Non-Executive Director 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.

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**TABLE 2 DETAILS OF THE AUDIT COMMITTEE**

Director	Category	No. of meetings held	No. of meetings attended
Mr. P.S. Kashyap	Chairman	4	4
Mr. Abhimanyu Arora	Member	4	4
Dr. S.K. Khatri	Member	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 4 times in the year under review –27.06.2009, 26.08.2009, 31.10.2009 and 31.01.2010.

The attendance record of the members of the Committee is given in Table 2.

**Powers of Audit Committee:**

- a) To investigate any activity within its terms of reference
- b) To Seek information from any employee
- c) To Obtain outside legal or other professional advise
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

**The terms of reference as stipulated by the Board to the Audit Committee include:**

- a) Review of the Company's financial reporting process and disclosure of its financial information.
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and Recommending payments for any other services.
- c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on.
  - (i) Changes in accounting policies and practices.
  - (ii) Major accounting entries involving estimates based on the exercise of judgment by the management.
  - (iii) Qualifications in the draft audit report.
  - (iv) Significant adjustments arising out of audit.
  - (v) The going concern assumption.
  - (vi) Compliance with accounting standards.
  - (vii) Compliance with stock exchange and legal requirements concerning financial statements.
  - (viii) Disclosure of any related party transactions.



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- d) Reviewing with the management, the external and internal auditors the adequacy of internal control systems.
- e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- f) Discussion with internal auditors of any significant findings and follow up there on.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with statutory auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

The committee is in compliance with its requirements under this charter.

### 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 2009-2010 are given below:

**TABLE 3. REMUNERATION TO EXECUTIVE DIRECTORS**

Executive Directors	Remuneration	Board Meetings	Committee Meetings	Professional Fees	Total
1. Dr. G. P. Elhence	-	27,000	30,000	1,500	58,500

**TABLE 4. REMUNERATION PAID TO MANAGING DIRECTOR FOR THE YEAR 2009-2010 IS AS UNDER:**

Name	Remuneration	Board Meetings	Committee Meetings	Professional Fees	Total
1. Dr. V.S. Phull	-	27,000	30,000	1,500	58,500

**TABLE 5. REMUNERATION PAID TO NON- EXECUTIVES DIRECTORS:**

Non – Executive Directors	Board Meetings	Committee Meetings	Professional Fees	Total
1. Dr. S .P. Mithal	27,000	30,000	-	57,000
2. Dr. S. P. Gupta	27,000	30,000	8,950	65,950
3. Dr. S. K. Khatri	27,000	30,000	-	57,000
4. Mr. Abhimanyu Arora	27,000	30,000	-	57,000
5. Mr. Premjit Singh Kashyap	27,000	30,000	-	57,000
6. Ms. Shalini Sharma	-	57,000	-	57,000
7. Mrs. Meenakshi Elhence	27,000	30,000	-	57,000
8. Ms. Priyanka Sharma	-	57,000	-	57,000

## **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. Mrs. Meenakshi Elhence - Member

## **SHARE TRANSFER COMMITTEE**

A Share Transfer Committee has been constituted by the Board to approve transfer/transmission, dematerialization/rematerialisation, sub-division/consolidation, issue of duplicate share certificates etc. The Committee attends to the transfer and other formalities once in fortnight. Its composition is stated hereunder:

### **Composition of Share Transfer Committee**

- 1 Ms. Shalini Sharma
- 2 Ms. Priyanka Sharma
- 3 Mr. Premjit S. Kashyap
- 4 Dr. S.K. Khatri

## **MANAGEMENT**

### **A. Management Discussion and Analysis Report**

The information relating to Management Discussion and Analysis is set out in a separate section included in this Annual Report and it forms part of this Report.

### **B. Disclosures**

#### **(i.) Related Party Transaction**

The Company has not entered into any materially significant related party transactions with the Promoters, Directors or Management, their subsidiaries or relative etc. that may have potential conflict with the interest of the Company at large.

Transactions with the related parties are disclosed in Note No. 4 of Schedule of Notes XVI.

#### **(ii.) Compliance by the Company**

The Company has complied with the requirements of Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years.

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

#### **(iii.) Disclosure of Accounting Treatment**

In preparation of the financial statements for the year ended on 31.03.2010, there was no treatment different from that prescribed in the accounting standards that had been followed