

DHANVANTRI
JEEVAN REKHA LTD.

FIFTEENTH ANNUAL REPORT

DHANVANTRI JEEVAN REKHA LIMITED

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the members of M/s **DHANVANTRI JEEVAN REKHA LIMITED** will be held on Saturday the 27th day of September, 2008 at Chamber of Commerce & Industry U.P., Chamber Bhawan, 194 Delhi Road, Opp. Roadways Bus Stand, 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 31st March 2008 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. G.P. Elhence, who retires by rotation, and being eligible offers himself for re-appointment.
3. To reappoint Director in place of Dr. S.P. Mithal, who retires by rotation, and being eligible offers himself for re-appointment.
4. To reappoint Director in place of Dr. Virendra Singh Phull, who retires by rotation and being eligible offers himself for re-appointment.
5. To declare Dividend on Equity Shares.
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.

For & on Behalf of the Board of Directors

Place : Meerut
Date : 23.08.2008

Sd/-
(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 from 25.09.2008 to 27.09.2008.

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

DIRECTORS' REPORT

Dear Members,

Your Directors have the pleasure in presenting the 15th Annual Report of the company together with Financial Statements for the year ended on 31st March 2008.

FINANCIAL & OPERATIONAL REVIEW:

FINANCIAL RESULTS:

(Rs in Lacs)

S.No. Financial Heads	Year ended 31.03.2008	Year ended 31.03.2007
1. Operating Income	253.23	282.52
2. Other Income	4.02	5.77
3. Gross Profits before depreciation & interest	79.32	71.07
4. Interest	9.97	15.43
5. Gross Profits after interest but before depreciation	69.35	55.64
6. Depreciation	47.95	47.25
7. Provision for Taxation	2.20	0.94
8. Deferred Tax Provision	(2.59)	1.05
9. Profit after Tax	21.78	6.40
10. Proposed Dividend	16.39	Nil
11. Corporate Dividend Tax thereon	2.79	Nil
12. Balance after taxation carried over to the Balance Sheet	2.60	6.40

During the year under review, the turnover of the company has marginally gone down to Rs. 253 Lac as against Rs. 283 Lac in 2006-07. But the Net Profits after Tax (PAT) of the company increased by 6.34% to Rs. 21.78 Lac in comparison of Rs. 6.40 Lac in the previous year ended on 31.03.2007 due to the efforts and hard work put in by the Directors and all the employees of the company by taking appropriate cost cutting measures to achieve the higher profit target.

FUTURE OUTLOOK

Your Company has not only succeeded in stabilizing its hospital operations but has also been able to made its name known in the field of Cardiology by providing high end Consultancy and Surgery in Meerut and adjoining area of West U.P. The Company is exploring the possibility of opening Para Medical Courses for nursing staff, technicians and other related specialties. The Company foresees to commence its expansion activities in the current year.

DIVIDEND:

The Directors take the pleasure to propose dividend @4% on equity shares for the financial year 2007-08.

DHANVANTRI JEEVAN REKHA LIMITED

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 Dr. G.P. Elhence, Dr. S.P. Mithal and Dr. Virendra Singh Phull, 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 2007-08 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 2008

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

DHANVANTRI JEEVAN REKHA LIMITED

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 31.03.2008 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 31.03.2008 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.

By Order of the Board of Directors

Sd/-

(Dr. S. P. GUPTA)

Chairman

Place : Meerut
Date : 23.08.2008

CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

The Company aims at achieving transparency, accountability and equity in all facets of its operations, and in all interactions with shareholders, employees, government, lenders and other constituents. Corporate governance to the company is not just a compliance issue but central guiding principle for everything it does. It's a way of thinking, way of conducting business and a way to steer the organization to take on challenges for now and for the future. The Company believes in monitoring its performance regularly and with utmost transparency to ensure ethical governance at all levels within the organization.

The Compliance Report is prepared and given below in conformity with the mandatory requirements of listing agreement with the Stock Exchanges.

BOARD OF DIRECTORS

As on March 2008, the Company's Board of Directors consists of ten Directors. Of these, two are Executive Directors, eight 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. 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/ATTENDENCE RECORD

Director	Number of Board Meetings		Attendance at Last AGM	Number of Committee memberships held	Number of Committee Chairmanship held	Number of Outside Directorship held
	Held	Attended				
				(Excluding Private Companies, Foreign Companies and Section 25 Companies)		
Executive Directors						
Dr. V.S. Phull	7	7	Yes	None	None	1
Dr. G.P. Elhence	7	7	Yes	None	None	None
Non-Executive Directors						
Dr. S.P. Gupta	7	7	Yes	None	None	None
Dr. S.P. Mithal	7	7	Yes	None	None	None
Dr. S.K. Khatri	7	7	Yes	None	None	2
Ms. Shalini Sharma	7	-	No	None	None	None
Mrs. Meenakshi Elhence	7	5	Yes	None	None	1
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	-	No	None	None	None

BOARD MEETINGS

During 2007-08 the Board of Directors met 7 times on 25.04.2007, 29.06.2007, 28.07.2007, 30.08.2007, 25.10.2007, 20.12.2007, 30.01.2008.

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

Dr. G.P. Elhence, Dr. S.P. Mithal and Dr. V.S. Phull who are Directors liable to retire by rotation, being eligible offer themselves for re-appointment 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. Dr. G.P. Elhence, aged 78 years is an M.B.B.S., M.D. (Medicine) from K.G. Medical College, Lucknow and MRCP from Edinburg. He is a well-known Medical Practitioner in Meerut, having wide experience in the operations of the Hospital & Diagnostic center.
2. Dr. S.P. Mithal, aged 66 years obtained medical degree "SAAT EXAM" and M.D. (Virology) from Germany. He looks after his parental nursing home and also practices in Meerut as an Anaesthetist. He is having wide experience in management of hospitals.
3. Dr. V.S. Phull, aged 62 years, has done M.B.B.S. from Govt. Medical College, Amritsar and M.S. from LLRM Medical College, Meerut.

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 2008, 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.

DHANVANTRI JEEVAN REKHA LIMITED

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 292 A of the Companies Act, 1956.

Date of Meeting:

The Audit Committee met 4 times in the year under review –28.06.2007, 25.10.2007, 19.12.2007 and 16.02.2008.

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.
- d) Reviewing with the management, the external and internal auditors the adequacy of internal control systems.

DHANVANTRI JEEVAN REKHA LIMITED

- 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 2007-2008 are given below:

TABLE 3: REMUNERATION TO EXECUTIVE DIRECTORS

Executive Directors	Remuneration	Board Meetings	Committee Meetings	Professional Fees	Total
1. Dr G. P. Elhence	-	14,000	-	4,870	18,870

TABLE 4: REMUNERATION PAID TO MANAGING DIRECTOR FOR THE YEAR 2007-2008 IS AS UNDER:

Name	Remuneration	Board Meetings	Committee Meetings	Professional Fees	Total
1. Dr. V.S. Phull	-	14,000	-	5,900	19,900

TABLE 5: REMUNERATION PAID TO NON- EXECUTIVES DIRECTORS:

Non-Executive Directors	Board Meetings	Committee Meetings	Professional Fees	Total
1. Dr. S .P. Mithal	14,000	-	-	14,000
2. Dr. S. P. Gupta	14,000	-	-	14,000
3. Dr. S. K. Khatri	14,000	-	-	14,000
4. Mr. Abhimanyu Arora	14,000	-	-	14,000
5. Mr. Premjit Singh Kashyap	14,000	-	-	14,000
6. Ms. Shalini Sharma	-	-	-	-
7. Mrs. Meenakshi Elhence	10,000	-	-	10,000
8. Ms. Priyanka 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 is no pending complaint 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 Mr. Abhimanyu Arora
- 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 16.

(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 31.03.2008, there was no treatment different from that prescribed in the accounting standards that had been followed

DHANVANTRI JEEVAN REKHA LIMITED

(iv.) Board Disclosures-Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of properly defined framework.

Means of Communication

Quarterly, half yearly and Annual financial results are normally published in one English and one Hindi newspaper. As the results of the Company are published in the newspaper, half yearly reports are not sent to each household of shareholders.

Company's website is www.djrl.org

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

Date	: 27 th September 2008
Time	: 11.00 A.M.
Venue	: Chamber of Commerce & Industry U.P., Chamber Bhawan, 194 Delhi Road, Opp. Roadways Bus Stand, Meerut.

2. Financial Calendar

1 st Quarter	: 1 st April to 30 th June
2 nd Quarter	: 1 st July to 30 th Sept.
3 rd Quarter	: 1 st October to 31 st December
4 th Quarter	: 1 st January to 31 st March

3. Dates of Book Closure

: 25th to 27th September 2008

4. Dividend

: The Board of Directors have recommended dividend on Equity Shares of the Company @ 4% for the year ended March 31, 2008 amounting Rs.19.18 Lac (inclusive of Corporate Tax & Surcharge thereon amounting Rs. 2.79 Lac)

5. Listing of Securities

: At present the equity shares of the Company are listed as stated below vide Table 6

TABLE 6 DETAILS OF LISTING OF SECURITIES AT STOCK EXCHANGE

The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai
The Uttar Pradesh Stock Exchange Association Ltd.	Padam Towers 14/113, Civil Lines, Kanpur-208001
The Delhi Stock Exchange Association Ltd.	DSE HOUSE, 3/1, Asaf Ali Road, New Delhi 110002.

DHANVANTRI JEEVAN REKHA LIMITED

- 6. Demat ISIN Number for NSDL**
ISIN Number issued for Equity Shares by NSDL is INE239F01015
- 7. Registered office or Address of Correspondence**
Shareholders can send their Correspondence at their Registered Office at Number One, Saket, Meerut.
- 8. General Body Meetings**
The particulars of the last three Annual General Meetings of the Company are provided hereunder. All the resolutions set out in the respective notices were duly carried on by the shareholders.

TABLE 7: LAST THREE ANNUAL GENERAL MEETINGS OF THE COMPANY

Nature of Meeting	Date and Time	Venue
Twelfth Annual General Meeting	28 th September, 2005 at 11.30 A.M.	Western U.P. Chambers of Commerce and Industry, Bombay Bazar, Meerut Cantt., Meerut
Thirteen Annual General Meeting	30 th September, 2006 at 11.00 A.M.	Western U.P. Chambers of Commerce and Industry, Bombay Bazar, Meerut Cantt., Meerut
Fourteenth Annual General Meeting	26 th September, 2007 at 11.00 A.M.	Western U.P. Chambers of Commerce and Industry, Bombay Bazar, Meerut Cantt., Meerut

All the Resolutions including the Special Resolutions set out in the respective notices were passed by the shareholders.

- 9. Registrar and Transfer Agent**
M/s Beetal Financial & Computers Services Pvt. Ltd., 'Beetal House' 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Madangir, New Delhi – 110 062 Tel No. 011-29961281 (6 lines), Fax: 011-29961284
- 10. Share Transfer System**
The company's shares are transferred from the selling shareholders in dematerialized & physical form. However they are traded in the Stock Exchanges compulsorily in the Demat mode. Any request for rematerialisation and / or transfer of shares is attended to within the stipulated time.
- 11. Investors Correspondence**
Shareholders can send their correspondence to the Registrar and Transfer Agent at New Delhi or Secretarial Department M/s Dhanvantri Jeevan Rekha Ltd. at their Registered Office at Number One, Saket Meerut.
- 12. Compliance Officer**
Shri Pankaj Gupta, Company Secretary

DHANVANTRI JEEVAN REKHA LIMITED

13. Distribution Schedule as on 31.03.2008

	Category	No. of Shares held	Percentage of shareholding
A	Promoter's holding		
	1. Promoters		
	(a) Indian Promoters	511600	12.49
	- Foreign Promoters	Nil	Nil
	2. Persons acting in concert	970700	23.68
	Sub-Total	1482300	36.17
B	Non-Promoters Holding		
	3. Institutional Investors		
	a. Mutual Funds and UTI	Nil	Nil
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-government Institutions)	Nil	Nil
	c. FIIs	Nil	Nil
	Sub-Total	Nil	Nil
	4. Others		
	a. Private Corporate Bodies	Nil	Nil
	b. Indian Public	1333100	32.53
	*c. NRIs/OCBs	164650	4.02
	d. Other Bodies Corporate	1118350	27.29
	Sub-Total	26,16,100	63.83
	Grand-Total	40,98,400	100.00

Compliance with Clause 49 of the Listing Agreement

The Company has complied with all mandatory requirements of Corporate Governance Clause 49 of the Listing Agreement.

A certificate from the Auditors of the Company regarding compliance of conditions of corporate governance is annexed to the Directors' Report.

WHISTLE-BLOWER POLICY

The Company does not have any formal whistle Blower Policy. However, the employees are welcomed to report to the management; their concerns about the unethical behavior, actual or suspected fraud or violation of the company's code of conduct and they are provided direct access to the Chairman of the Audit committee of the Board of Directors of the Company.

By Order of the Board of Directors

Sd/-

(Dr. S. P. GUPTA)

Chairman

Place : Meerut

Date : 23.08.2008

CEO/CFO CERTIFICATION

To

The Board of Directors
Dhanvantri Jeevan Rekha Limited

In relation to the Audited Financial Accounts of the Company as at 31.03.2008, we hereby certify that

- a) I have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief.
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee
- i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Dhanvantri Jeevan Rekha Ltd.

Sd/-

(Dr. V.S. Phull)
Managing Director

Place : Meerut
Date : 23.08.2008

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Dhanvantri Jeevan Rekha Limited
Meerut

We have examined the compliance of the conditions of Corporate Governance by Dhanvantri Jeevan Rekha Limited for the year ended 31.03.2008 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an Audit nor an Expression of an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned listing agreement.

We state that generally no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors Grievance Committee.

We further state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency and the effectiveness with which the management has conducted the affairs of the Company.

For Vipin Nagar & Co.
Chartered Accountants
Sd/-
(Vipin Nagar)
F.C.A.
Membership No: 74041

Place : Meerut
Date : 23.08.2008

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report as required under Clause 49 of the listing agreement is as under:

INDUSTRY STRUCTURE AND DEVELOPMENTS

Hospital/Healthcare business is a high operating leverage business and just like other service industries including hotels and airline business, occupancy is the most critical variable for growth and profitability.

The company has a hospital, providing diagnostic and therapeutic services in the field of Urology, Gastroenterology, Cardiology, Neurology and Radiology including Magnetic Resonance Imaging (MRI). It has extended its scope of diagnosis and hospital services by providing a fully operational Cath Lab, catering to higher end needs of the cardiac patients including Angiography, Angioplasty, Pacemaker Implantation, Valvuloplasty etc for which the patients were referred to Delhi which is at a distance of about 80 Kms from Meerut.

The Company had a high occupancy rate of beds during the year under review. Considering the same, the Board is now at final stage of its approval for expansion plan of the hospital.

OUTLOOK ON OPPORTUNITIES, THREATS, RISKS AND CONCERNS

Healthcare reforms in the last decade have resulted into growth in share of healthcare and made it the largest industry in the world. A key highlight of the reform has been the increase in the role of private sector. The share of private sector will keep increasing as public healthcare facilities continue to face resource crunch and poor management. However, the higher share of private sector does not essentially translate into better healthcare facilities for individuals as private sector is highly unorganized and mainly controlled by Charitable Trust and individual Doctors draw attention to bridge the demand supply gap for quality health services.

The company may have to face stiff competition from the emerging multi specialty corporate hospitals and needs to mitigate the risk by increasing its bed capacity thereby increasing the operating margins, image building, improve upon its ability to attract good consultants, quality of nursing staff, Equipments, other facilities. However, it is at a competitive advantage as it always strives for operational efficiency and makes investment in medical equipments with latest technology.

Further, It is now planning for expansion by way of adding the bed capacity in the Hospital and also adding some more specialty departments to meet the growing demand for health care. For implementation of the said plan the Company has acquired the adjoining plot and the said expansion is under final stages of consideration of the Board.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

Dhanvatri Jeevan Rekha has maintained a proper and adequate system of internal control. This is to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorised, recorded and reported correctly

All the internal reviews and findings are placed before the Audit Committee of the Board for their reviews.

FINANCIAL PERFORMANCE

The quantum of the receipts from hospital operations diagnostic operations during the year ending 31.03.2008 was Rs. 253.23 Lac and the Company has been able to achieve a higher profit target of Rs. 21.78 Lac as against previous year profit of Rs. 6.40 Lac. This achievement has helped the company to fulfill its commitment to declare dividend and share the success with its shareholders

HUMAN RESOURCES

Human resources are the most valued of all assets of the Company. The Company provides challenges, encourages initiative, and recognizes and rewards excellence through performance incentives, bonuses etc. The Company believes in enhancing the professional expertise of all its employees and towards this end reviews and evolves policies/ processes to attract best of the scientific, technical and managerial talent.

CAUTIONARY NOTE

The statement on expectations and future made hereinabove are based on certain assumptions and likelihood of future events. The Company's performance and/ or financial results may thus materially differ from such statements, if any.

AUDITOR'S REPORT

The Members,
M/s Dhanvantri Jeevan Rekha Limited,
Meerut

1. We have audited the annexed Balance Sheet of **M/S DHANVANTRI JEEVAN REKHA LIMITED** as at 31st March 2008, and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (hereinafter referred to as the "Act") we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i). We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii). In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - (iii). The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (iv). In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (v). On the basis of written representation received from the directors of the company as on 31st March 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified from being appointed as a Director as on March 31, 2008 from being appointed as a Directors, in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;
 - (vi.) In our opinion and to the best of our information and according to the explanations given

DHANVANTRI JEEVAN REKHA LIMITED

to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a). In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008; and
- (b). In the case of the Profit & Loss Account, of the profit for the year ended on that date.
- (c). In the case of cash flow statement, of the cash flows for the year ended on that date.

For **Vipin Nagar & Co.**,
Chartered Accountants

Sd/-
(Vipin Nagar)
F.C.A.
Membership No. 74041

Place : Meerut
Date : 28.06.2008

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in paragraph 3 of the auditor's report to the members of **DHANVANTRI JEEVAN REKHA LIMITED** for the year ended March 31, 2008. We report that:

- i. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets. All fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification. There was no substantial disposal of fixed assets during the year.
- ii. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. (a) As informed to us, the Company has not granted/taken any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained U/s 301 of the Companies Act.
(b) Since, there are no such loans, the comments regarding terms and conditions for repayment of the principal amount and interest thereon, overdue amount are not required.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of inventory and fixed assets and for sale of goods and services. Accordingly, the issue of continuing failure to correct major weakness in the internal control in these areas does not arise.
- v. Based on the audit procedures applied by us and according to the information and explanation provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. The Company has accepted deposits from public and in our opinion company has complied with the provisions of sec 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of deposits) Rules, 1975.
- vii. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- viii. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund dues, Income Tax and other statutory dues with the appropriate authorities. There are no arrears on this account. We have been informed that The Employees State Insurance Act is not applicable on the company.
- ix. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

ANNEXURE TO THE AUDITOR'S REPORT

- x. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to Banks and Financial Institutions. We have been informed that the company did not have any outstanding debentures during the year.
- xi. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii. In our opinion the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- xv. In our opinion the term loan has been applied for the purpose for which they were raised.
- xvi. We have been informed by the management that the funds raised on short-term basis have not been used for long-term investment. No long-term funds have been used for finance of short-term assets.
- xvii. The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xviii. The Company did not have any outstanding debentures during the year.
- xix. The Company has not raised any money through a public issue during the year.
- xx. Based upon the audit procedures performed by us for expressing our opinion on these financial statements and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Vipin Nagar & Co.**,
Chartered Accountants
Sd/-
(**Vipin Nagar**)
F.C.A.

Place : Meerut
Date : 28.06.2008

DHANVANTRI JEEVAN REKHA LIMITED
BALANCE SHEET AS AT MARCH 31, 2008

	SCHEDULE	AS AT 31.03.2008	AS AT 31.03.2007
SOURCES OF FUND			
Shareholders' Funds :			
Share Capital	I	41,536,000	41,536,000
Reserve and Surplus	II	5,275,348	5,015,308
Secured Loans	III	4,000,000	7,865,482
Unsecured Loans	IV	2,287,527	2,750,000
TOTAL		53,098,875	57,166,790
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	V	96,412,924	94,804,737
Less : Depreciation		46,041,511	41,246,599
Net Block		50,371,413	53,558,138
Current Assets, Loans & Advances			
Inventories	VI	341,095	425,886
Cash & Bank Balance	VII	2,672,201	2,421,039
Loans and Advances	VIII	5,343,663	4,242,536
		8,356,959	7,089,461
Less : Current Liabilities & Provisions	IX	5,629,497	3,480,809
Net Current Assets		2,727,462	3,608,652
TOTAL		53,098,875	57,166,790
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES			
	XVI		

As per our report of even date

For **Vipin Nagar & Co.**
Chartered Accountants
Sd/-
(Vipin Nagar)
F.C.A.

Sd/-
(Pankaj Gupta)
Company Secretary

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

Sd/-
(Dr. S.P. Mithal)
Director

Place : Meerut
Dated : 28.06.2008

DHANVANTRI JEEVAN REKHA LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	SCHEDULE	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
INCOME			
Operational Receipts		25,322,694	28,252,193
Other Income	X	401,578	576,977
		25,724,272	28,829,170
EXPENDITURE			
Operating Expenses	XI	7,381,826	11,168,820
Establishment	XII	7,231,972	7,177,651
Office & Administrative Expenses	XIII	1,323,759	1,336,517
Interest	XIV	997,222	1,543,020
Other Expenses	XV	1,854,705	2,039,074
		18,789,484	23,265,081
Depreciation		4,794,913	4,724,847
		23,584,397	27,989,928
PROFIT BEFORE TAX		2,139,875	839,242
Tax provision for the current year		220,407	94,163
Deferred Tax Provision (Net of reversal)		(258,542)	105,320
PROFIT AFTER TAX		2,178,010	639,759
Appropriations :			
Less : Proposed Dividend		1,639,360	—
Less : Corporate Dividend Tax thereon		278,609	—
Balance Carried Over to Reserve & Surplus		260,041	639,759
Basic & Diluted Earning Per Share (in Rs.)		0.53	0.16
NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES	XVI		

As per our report of even date

For Vipin Nagar & Co.
Chartered Accountants
Sd/-
(Vipin Nagar)
F.C.A.

Sd/-
(Pankaj Gupta)
Company Secretary

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

Sd/-
(Dr. S.P. Mithal)
Director

Place : Meerut
Dated : 28.06.2008

DHANVANTRI JEEVAN REKHA LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31-MARCH , 2008

	AS AT 31 ST MARCH 2008	AS AT 31 ST MARCH 2007
SCHEDULE-I		
SHARE CAPITAL		
<i>Authorised Share Capital</i>		
500000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
<i>Issued & Subscribed Capital</i>		
4,20,8800 Equity Shares of Rs. 10/- each	42,088,000	42,088,000
<i>Called & Paid up Share Capital</i>		
40,98,400 Equity Shares of Rs. 10/- each	40,984,000	40,984,000
Share Forfeiture Account	552,000	552,000
	41,536,000	41,536,000
SCHEDULE-II		
RESERVE & SURPLUS		
Opening Balance	5,015,308	4,375,549
Add : Surplus as per Profit & Loss Account	260,041	639,759
	5,275,348	5,015,308
SCHEDULE-III		
SECURED LOANS		
- From Punjab National Bank, Meerut [The hypothecation of all moveable assets forming part of the fixed assets - Medical Equipments, Furniture & Fixtures, Air Conditioners, Generators etc. and equitable mortgage of Land & Building situated at 2-Saket, Meerut & 1-Saket, Meerut]	4,000,000	6,848,868
- From Punjab National Bank, Meerut (Against FDR)	—	1,016,614
	4,000,000	7,865,482
SCHEDULE-IV		
UNSECURED LOAN		
From Others	2,287,527	2,750,000
	2,287,527	2,750,000

SCHEDULE-V

FIXED ASSETS AS AT 31.03.2008

DESCRIPTION	GROSS BLOCK			DEPRECIATION			WRITTEN DOWN VALUE	
	As at 01.04.2007	Additions/ Sales during the year	Total	Upto 31.03.2007	During the year	Upto 31.03.2008	WDV As at 31.03.2008	WDB As at 31.03.2007
Land	19,382,474	—	19,382,474	—	—	—	19,382,474	19,382,474
Building	9,677,300	248,522	9,925,822	1,132,344	159,648	1,291,992	8,633,830	8,544,956
Medical Equipment	62,040,706	1,229,111	63,269,817	38,588,882	4,409,009	42,997,891	20,271,926	23,451,823
Furniture & Fixtures	1,883,826	64,825	1,948,651	688,657	121,179	809,836	1,138,815	1,195,170
Air Conditioners	939,726	40,500	980,226	326,986	46,018	373,004	607,222	612,740
Generator Set	466,195	—	466,195	190,924	22,205	213,129	253,066	275,271
Ambulance	187,104	—	187,104	187,103	—	187,103	1	1
Computer	202,565	25,230	227,795	127,482	35,671	163,153	64,642	75,083
Refrigerator	14,490	—	14,490	3,882	690	4,572	9,918	10,608
Office Equipment	10,350	—	10,350	338	493	831	9,519	10,012
Total	94,804,736	1,608,188	96,412,924	41,246,598	4,794,913	46,041,511	50,371,413	53,558,138
Previous Year	93,071,367	1,733,370	94,804,737	36,521,752	4,724,847	41,246,599	53,558,138	56,549,615

SCHEDULE-VI

INVENTORIES

Consumable Stores	304,160	392,726
Stock & Stationery	15,040	22,280
Linen & Draperies	21,895	10,880
	<u>341,095</u>	<u>425,886</u>

SCHEDULE-VII

CASH & BANK BALANCES

Balance with Scheduled Banks :		
- In Current Account	911,663	—
- In Fixed Deposit Account	1,575,000	2,279,885
- In Jammu & Kashmir Bank Ltd. - Dividend A/c 1673	130,468	130,678
Cash in Hand	55,070	10,476
	<u>2,672,201</u>	<u>2,421,039</u>

SCHEDULE-VIII**LOANS & ADVANCES**

Security Deposits	93,500	91,500
Advances Recoverable in Cash or in kind or for value to be received	3,950,017	3,266,940
Accrued interest on Deposit	104,526	12,692
Advance Tax	296,685	231,011
Deferred Tax Asset	898,936	640,394
	<u>5,343,663</u>	<u>4,242,536</u>

SCHEDULE-IX**CURRENT LIABILITIES
AND PROVISIONS**

Expenses Payable	1,458,649	1,232,157
Security Received	220,000	220,000
Telephone Expenses Payable	10,752	10,973
Electricity Expenses Payable	—	39,233
T.D.S. Payable	—	32,224
Ch. issued but not presented for payment	1,423,227	1,544,153
Provided Fund Payable	—	26,091
Unclaimed Dividend	130,553	130,678
Interest Payable	—	7,333
Bonus Payable	115,380	26,977
Miscellaneous Expenses Payable	—	78,348
PROVISIONS		
Income Tax	352,770	132,363
FBT	197	280
Proposed Dividend	1,639,360	—
Corporate Dividend Tax	278,609	—
	<u>5,629,497</u>	<u>3,480,809</u>

DHANVANTRI JEEVAN REKHA LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR

	YEAR ENDED 31.03.2008	YEAR ENDED 31.03.2007
SCHEDULE-X		
OTHER INCOME		
Interest Received	111,687	238,407
Rent Received	133,000	126,000
Misc. Income	156,891	212,570
	<u>401,578</u>	<u>576,977</u>
SCHEDULE-XI		
OPERATING EXPENSES		
Electricity Expenses	803,545	714,672
Medical Consultancy Expenses	3,685,628	5,634,767
Consumable Stores Expenses	2,098,981	3,970,884
Equipment Hire Expenses	33,458	171,872
Generator Expenses	760,214	676,624
	<u>7,381,826</u>	<u>11,168,820</u>
SCHEDULE-XII		
ESTABLISHMENT		
Salary & Retainership Charges	6,606,505	6,496,746
Security Services Charges	47,630	229,693
Beverage & Food expenses	128,256	217,206
Ex-Gratia	43,200	42,000
Bonus	240,880	26,977
Contribution to Provident Fund	165,501	165,029
	<u>7,231,972</u>	<u>7,177,651</u>

SCHEDULE-XIII**OFFICE AND ADMINISTRATIVE CHARGES**

Printing & Stationery	205,978	211,743
Postage	18,450	21,217
Telephone	161,467	186,507
Legal & Professional Charges	493,466	273,229
Travelling & Conveyance	17,468	65,243
Newspaper & Periodicals	1,902	2,135
Board Sitting Fee	108,000	70,000
Insurance	180,650	253,420
Advertisement & Other Expenses	22,917	26,237
Committee Meeting Fees	—	114,500
Audit Fee	49,438	48,263
Rates & Taxes	64,023	64,023
	<u>1,323,759</u>	<u>1,336,517</u>

SCHEDULE-XIV**INTEREST**

Interest Paid to Bank (Net)	748,145	1,240,520
Interest Paid to Others	249,077	302,500
	<u>997,222</u>	<u>1,543,020</u>

SCHEDULE-XV**OTHER EXPENSES**

Rent	90,000	102,000
Bank Charges	11,154	11,884
Commission & Brokerage	27,836	27,836
Repair & Maintenance	1,452,321	1,536,487
Ambulance Repair & Maintenance	76,245	64,470
Linen & Draperies	106,330	131,367
Environment Expenses	6,180	7,440
Meeting & Conference Expenses	17,887	23,351
Hospital Waste Management	16,800	16,800
Festival Expenses	22,285	83,401
Fringe Benefit Tax	17,167	34,038
Website Development Charges	10,500	—
	<u>1,854,705</u>	<u>2,039,074</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SCHEDULE NO XVI

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES:

General

- (a) The Financial statement are prepared under the historical cost convention and as a going concern basis, in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India and the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and according to the Companies Act, 1956.
- (b) Accounting policies that are not specifically referred are consistent and in consonance with generally accepted accounting policies.

Valuation of Inventories

- (a) Consumables etc. are valued at lower of the cost or net realizable value applying the First in First Out Method (FIFO).

Recognition of Income & Expenses

All items of Incomes and expenses have been accounted for on accrual basis

Fixed Assets

- (a) Fixed Assets are stated at cost less accumulated depreciation. Cost comprises the purchase price or cost of construction and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

- (a) Depreciation on assets is provided on straight line basis at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956
- (b) Depreciation on Fixed Assets added/disposed/off/ discarded during the year has been provided on a pro-rata basis.

Borrowing Cost

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets is ready for its intended use.

Other borrowing costs are charged to the Profit & Loss Account.

Revenue Recognition

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties and in accordance with accounting standards applicable.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Provisions

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Retirement Benefits

Liability in respect of retirement benefits is provided and / or funded and charged to Profit & Loss Account as follows:

- (a) Provident Fund/ Family Pension Fund: are charged to the Profit and Loss Account of the year when the contributions to the respective funds are accrued.
- (b) Gratuity: The Company is in process to get the Group Gratuity Scheme with the Life Insurance Corporation of India to cover the liability in respect of Gratuity to employees.
- (c) Leave Encashment: As determined on the basis of accumulated leave in the credit of employee as at the year end and paid at the year-end.

Taxes on Income

Provision for current tax is made on the basis of estimated taxable income for current accounting year in accordance with the Income Tax Act, 1961.

The deferred tax for timing differences between book profit and tax profits is accounted for, using the tax rates and laws that have been substantively enacted as of the balances sheet date.

Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

Deferred tax assets are recognized on unabsorbed losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

2. Additional information pursuant to the provision of Part II of Schedule VI to the Companies Act, 1956:

	Current Year	Previous Year
<u>Contingent liability not provided for:</u>		
Claims not acknowledged as debts	Nil	Nil
Capital Contracts yet to be executed	Nil	Nil
<u>Foreign Exchange Transaction:</u>		
a) Value of imports calculated on C.I.F. basis by the Company during The year in respect of:		
♦ Raw Material	Nil	Nil
♦ Component & Spare Parts	Nil	Nil
♦ Capital Goods	Nil	Nil
b) Value of exports	Nil	Nil
c) Expenditure in foreign currency	Nil	Nil

DHANVANTRI JEEVAN REKHA LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- d) The amount remitted during the period in foreign currency on account of dividends, with specific mention of the number of non-resident shareholders. The number of shares held by them on which the dividend is remitted.

Nil Nil

Earning in Foreign Exchange:

- a) Exports of goods calculated on F.O.B basis
 b) Know-how, professional and consultancy fee
 c) Interest and Dividend
 d) Other Income

Nil Nil
 Nil Nil
 Nil Nil
 Nil Nil

Payment to Auditors:

- Audit Fee
 - Tax Audit Fee
 - Certification & Consultancy

	Current Year	Previous Year
	28652.00	28060.00
	20786.00	20203.00
	Nil	Nil

2. Computation of Basic and Diluted Earnings Per Share (EPS) :

		Current Year	Previous Year
Numerator	Profit / (Loss) after tax	21,78,010	6,39,759
Denominator	Weighted average number of equity shares outstanding during the year	40,98,400	40,98,400
Basic & Diluted EPS		0.53	0.16

3. (a) Current tax provision is on the basis of regular tax liability of MAT. The tax liability is based on claims made in earlier years and expert opinion received.

(b) Deferred Tax Balances:

	Current Year	Previous Year
Deferred Tax Liability		
- Due to depreciation difference	—	—
Total	—	—
Less: Deferred Tax Assets		
- Due to unabsorbed depreciation	(8,98,936)	(6,40,394)
Net Deferred Tax Liability/(Assets)	(8,98,936)	(6,40,394)

DHANVANTRI JEEVAN REKHA LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Deferred Tax Liability/Assets as calculated above has been recognized, as the Company is of opinion that there is virtual certainty of realization of the same in view of the profits of the company.

4. (a) List of Related Parties with whom the Company has entered into transaction during the year in the ordinary course of business;

(i) Directors & Their Relatives

Name of Directors	Relatives of Directors
1. Dr. S.K. Khatri	
2. Dr. Satya Prakash Mithal	Dr. Umang Mithal
3. Sh. Premjit S. Kashyap	Dr. Shekhar Kashyap
4. Dr Gyan Prakash Elhence	Dr. Anil Elhence
5. Dr Surendra Prakash Gupta	
6. Dr V.S. Phull	
7. Sh. Abhimanyu Arora	
8. Mrs. Meenakshi Elhence	Dr. Anil Elhence

(ii) Associate Concerns

M/s Dhanvantri Path & Scan Centre Pvt. Ltd.

M/s Kashyap & Co.

M/s P.S.K. Consultants Pvt. Ltd.

- (b) Details of Transaction with related parties referred to in (a) (i) above

	Current Year	Previous Year
(i) Sitting Fees	1,08,000	70,000
(ii) Interest	—	1,65,000
(iii) Consultancy Charges	6,57,339	29,86,087
(iv) Committee Fees	—	1,14,500

- (c) Details of Transaction with related parties referred to in (a) (ii) above

	Current Year	Previous Year
(i) Receipts towards rent of the Pathology Lab	1,55,175	1,99,570
(ii) Payment towards equipment hire charges	33,458	41,872
(iii) Professional Charges	1,01,728	9,974

5. That in the opinion of the Board of Directors, the current assets, loans and advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

DHANVANTRI JEEVAN REKHA LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

6. That as informed to us and in accordance to the details available with the company, it does not owe a sum exceeding Rs.1,00,000/- which is outstanding over a period of 30 days to the Small Scale Industrial Undertakings as defined under clause (j) of Section 3 of Industrial (Development & Regulation) Act, 1951
7. Previous Year figures have been regrouped / reclassified, wherever applicable, to confirm to the current year's presentation.

Refer to our report of even date.

For Vipin Nagar & Co.
Chartered Accountant

For & on behalf of the Board

Sd/-
(VIPIN NAGAR)
F.C.A.

Sd/-
(PANKAJ GUPTA)
COMPANY SECRETARY

Sd/-
(DR.V.S.PHULL)
MANAGING DIRECTOR

Sd/-
(DR. S.P. MITHAL)
DIRECTOR

Place : MEERUT
Date : 28.06.2008

DHANVANTRI JEEVAN REKHA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

	CURRENT YEAR	PREVIOUS YEAR
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	21.40	8.39
Adjustments for :		
Depreciation	47.95	47.25
Interest	9.97	15.43
Provision for Taxation	(2.20)	(0.94)
Provision for Deferred Tax	2.59	(1.05)
Accounts no longer payable now written back		
Tax Adjustment for Earlier Years		
Proposed Dividend	(16.39)	—
Corporate Dividend Tax on Proposed Dividend	(2.79)	—
Operating profits before working capital changes	60.52	69.08
Adjustments for :		
Inventories	0.85	4.20
Loans & Advances	(11.01)	(10.09)
Current Liabilities & Provisions	21.49	(3.03)
Miscellaneous Expenditure	—	—
Cash generated from operations	71.85	60.16
Less : Interest Paid	9.97	15.43
Net cash from operating activities (A)	61.87	44.73
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Fixed Assets Purchased	(16.08)	(17.33)
Capital work in Progress		
Net cash used in investing activities (B)	(16.08)	(17.33)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase/ (Repayment) of Bank Loan	(38.65)	(20.56)
Increase/Repayment of other Loans	(4.62)	—
Net cash flow from financing activities (C)	(43.28)	(20.56)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	2.51	6.84
Cash and cash equivalents at the beginning of the year	24.21	17.37
Cash and cash equivalents at the end of the year	26.72	24.21

for and on behalf of the Board of Directors
of Dhanvantri Jeevan Rekha Ltd.

Place : Meerut

Sd/-
(Pankaj Gupta)
Company Secretary

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

Sd/-
(Dr. S.P. Mithal)
Director

Date : 28.06.2008

AUDITORS' CERTIFICATE

I have verified the above cash flow of Dhanvantri Jeevan Rekha Limited derived from Audited Financial Statements for the year ended on 31st March, 2008 and found the same in accordance therewith, and also with the requirements of clause 32 of listing agreement of the Stock Exchanges.

For Vipin Nagar & Co.
Chartered Accountants
Sd/-
(Vipin Nagar)
F.C.A.

DHANVANTRI JEEVAN REKHA LIMITED

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS:			
Registration No.	15458	State Code	20
Balance Sheet Date	31.03.2008		
2. CAPITAL RAISED DURING THE YEAR			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
3. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (in Rs. Thousands)			
Total Liabilities	531	Total Assets	531
Sources of Funds:			
Paid up capital	41,536	Reserves & Surplus	5,275
Secured Loans	4,000		
Unsecured Loans	2,288		
Application of Funds:			
Net Fixed Assets	50,371	Investments	—
Net Current Assets	2,727	Miscellaneous Expenditure	—
Accumulated Losses	—		
4. PERFORMANCE OF COMPANY (in Rs. Thousands)			
Turnover	25,724	Total Expenditure	23,584
Profit before tax	2,140	Profit after tax	2,178
Earning per share	0.53	Dividend rate	4%

GENERIC NAMES OF THREE PRICIPAL PRODUCTS/SERVICES OF THE COMPANY

5. Product Description	Item Code No.
— Running Hospital & Medical Diagnostic Centre	Not Applicable

In terms of our seperate report of even date.

For Vipin Nagar & Co.
Chartered Accountants

for and on behalf of the Board of Directors
of Dhanvantri Jeevan Rekha Ltd.

Sd/-
(Vipin Nagar)
F. C. A.

Sd/-
(Pankaj Gupta)
Company Secretary

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

Sd/-
(Dr. S.P. Mithal)
Director

Place: Meerut
Date : 28.06.2008

DHANVANTRI JEEVAN REKHA LIMITED

(Regd. Office : Number One, Saket, Meerut - U.P. - 250 003)

BOOK POST

Entrance Pass

To be presented at the entrance
Annual General Meeting
Chamber of Commerce & Industry
U.P. Chamber Bhawan, 194, Delhi Road
Opp. Roadways Bus Stand, Meerut

11:00 A.M. Saturday the 27th September, 2008

Folio No. No. of shares held

Signature

Only shareholders or their proxies are allowed to attend the meeting. Shareholders are requested to bring their Annual Report alongwith the to the Meeting as extra copies will not be supplied due to high cost of paper and printing

DHANVANTRI JEEVAN REKHA LIMITED

PROXY FROM

Regd. Folio No.
DP No. /Client ID No.
No. of Shares Held

I/We.....of.....being
member/members of Dhanvantri Jeevan Rekha Limited, hereby appoint.....
of..... or failing him/herof.....
as my/our proxy to attend vote for me/us on my/us/our behalf at the Annual General Meeting of the
Company to be held on 27th day of September 2008 and at any adjournment thereof.

As witness my/our hand(s) thisday of.....2008

by the said.....



NOTE: The proxy must be returned so as to reach the Registered Office of the Company at Number One, Saket, Meerut not less than Forty-Eight hours before the time for holding the aforesaid meeting.

BOOK-POST

UPC

If undelivered please return to :
Dhanvantri Jeevan Rekha Ltd.
Number One, Saket, Meerut.
Tel.: 2648151, 2648152