

6

**Public Issue Of**  
**7,65,000 Equity Shares**  
**Of Rs. 10/- Each**  
**For Cash At Par**  
**Aggregating to**  
**76,50,000**

**ISSUE  
 OPENS ON  
 26th SEPT.  
 1995**

**HIGHLIGHTS**

- 1) Promoted by an experienced Urologist Dr. Ramesh Ramayya, who has performed Laser Prostate, Surgery and Key Hole Surgery for the first time in A.P.
- 2) Listing proposed at Hyderabad and Delhi Stock Exchanges.

**RISK FACTORS**

**INTERNAL :** 1. Company's operations are concentrated only in two specialities i.e., Urology and Nephrology. 2. The Fund requirement, Working capital Requirements and future projections of the Company are not appraised by any financial Institution/bank and in the absence of any financial stake by any bank/Institution, the deployment of funds raised through the Issue will be entirely at the discretion of the management of the Company and its end use cannot be monitored. 3. Company will be operating from leased premises. 4. The Company is yet to receive the No Objection Certificate from the Pollution Control Board. 5. The proposed project is totally financed by the equity and any delay in the mobilisation of resources may adversely affect the project and its profitability. 6. The success of a hospital depends to a large extent on the Doctors and its facilities. 7. The Company is yet to place orders for consumables worth about Rs. 4.5 lacs.

**EXTERNAL :** 1. The company being in the service industry will be subjected to market competition. 2. Government Policy on Kidney transplants can affect the activities of the Company.

**NOTE :** Plant & Machinery worth Rs. 47.47 lacs has been acquired from 'PUC' ( for Rs. 40 lacs) and Rs. 84.96 lacs has been paid as upfront fee towards lease of other facilities from 'PUC'.

**MANAGEMENT PERCEPTION OF THE RISK FACTORS**

**INTERNAL :** 1. Company specialises in Urology and nephrology and plans to develop each sub speciality like Lithotripsy, Andrology, Dialysis, Infertility into a separate speciality. By doing so, the Company is

actually diversifying the functions under one head and offering specialised services for each function. 3. All the 3 centres, one of which is the existing premises of Pramila Urological Centre belonging to the promoter have been taken on 10 year lease, and the management foresees no difficulty for renewals. 4. The company has applied to Andhra Pradesh Pollution Control Board for a No Objection Certificate vide their letter No 22385 dated 24th April, 1995 and envisages no difficulty in obtaining the same. 8. The hospital would require consumables like hand-gloves, surgical spirit, disposable syringes, IV sets, Resection electrodes, Endo suture clips etc, which are available off the shelf. Orders will be placed as when required and the Company envisages no difficulty in procuring the same as and when required.

**EXTERNAL :** 2. Kidney transplants is one of the sub specialities alongwith many others which the Company is entering into, the Company will not be significantly affected by any policy of the Govt on any one sub-speciality.

**LEAD MANAGERS TO THE ISSUE**



**PENNAR PATERSON  
 SECURITIES LTD**  
 Merchant Banking Division  
 Chikoti Gardens, S.P. Road  
 Begumpet, Hyderabad - 500 016  
 Tel 811472, 811473  
 Fax 811090

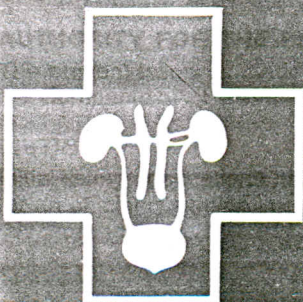


**BANK OF MADURA LIMITED**  
 Regional Office  
 A2/1 Chandralok Complex  
 S.D. Road, Secunderabad.

**REGISTRARS TO THE ISSUE**



**KARVY CONSULTANTS LIMITED**  
 6-1-68/2, Saifabad  
 Hyderabad - 500 004.  
 Tel # 242209/08



**PRAMILA**  
**KIDNEY HOSPITALS LIMITED**

Registered Office : 5-9-34/2, Basheerbagh, Hyderabad - 500 029.  
 Tel : 040 - 230944/234903.

Rs. 10/- on  
 Application

## PART I

### I. GENERAL INFORMATION

## PRAMILA KIDNEY HOSPITALS LIMITED

(Incorporated on 15th February 1995 under the Companies Act, 1956 (hereinafter referred to as "the Act") as PRAMILA KIDNEY HOSPITALS LIMITED (hereinafter referred to as "The Company") and received certificate of commencement of business on 14th March, 1995)

**REGISTERED & CORPORATE OFFICE :** 5-9-34/2, Basheerbagh, Hyderabad - 500 029.

**Tel:** 040 230944 / 234903. **FAX:** 597328

### GOVERNMENT APPROVALS

The Company does not require any Industrial Licence/Letter of Intent under the new Industrial Policy.

### DISCLAIMER CLAUSE

It is to be distinctly understood that the vetting of the draft Prospectus by SEBI should not, in any way, be deemed/construed as approval from SEBI for the proposed Issue. SEBI does not take any responsibility either for the financial soundness of any scheme or project for which the issue is proposed to be made, or for the correctness of the statements made or opinions expressed in the offer document. SEBI has vetted the offer document filed with it for a limited purpose of overseeing, whether the disclosures contained therein are generally adequate and are in conformity with SEBI Guidelines for Disclosure and Investor Protection for the time being in force. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue. It should also be clearly understood that while the issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Lead Manager is expected to exercise due diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the lead manager PENNAR PATERSON SECURITIES LIMITED has furnished to SEBI a Due Diligence Certificate dated 06-04-1995 which reads as follows:

- (1) We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators etc. and other materials in connection with the finalisation of the draft prospectus/ letter of offer pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the Company, its directors and other officers, other agencies, independent verification of the statements concerning the objects of the said issue, projected profitability, price justification and the contents of the documents mentioned in the Annexure and other papers furnished by the Company.

### WE CONFIRM THAT :

- (a) The draft prospectus/letter of offer forwarded to SEBI is in conformity with the documents, materials and papers relevant to the Issue ;
  - (b) All the legal requirements connected with the said Issue as also the guidelines, instructions, etc., issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with; and
  - (c) the disclosures made in the draft prospectus/letter of offer are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed Issue.
- (3) We confirm that besides ourselves, all the intermediaries named in the prospectus/letter of offer are registered with SEBI and that till date such registration is valid.

This Acknowledgement does not, however, absolve the Company from any liabilities under Section 63 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of proposed issue. SEBI further reserves the right to take up, at any point of time, with the Lead Manager(s) (Merchant Bankers) any irregularities or lapses in the offer document.

### AUTHORITY FOR THE PRESENT ISSUE

The present issue is made pursuant to the special resolution passed by the shareholders, in terms of section 81(1A) of the Companies Act, 1956 at the Extraordinary General Meeting of the Company held on 14th March, 1995.

### LISTING

Initial listing applications have been made to the Stock Exchanges at Hyderabad and Delhi for permission to deal in and for an official quotation in respect of equity shares of the Company and new equity shares, now being offered in terms of this prospectus.

**NOTE :**

Investors may please note that in the case of oversubscription the allotment shall be on proportionate basis.

**IMPERSONATION**

ATTENTION OF APPLICANTS IS SPECIFICALLY DRAWN TO THE PROVISIONS OF SUB-SECTION (1) OF SECTION 68-A OF THE COMPANIES ACT, 1956 WHICH IS REPRODUCED BELOW:

"Any person who -

- (a) Makes in a fictitious name, an application to a Company for acquiring, or subscribing for, any shares therein, or
- (b) Otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

**MINIMUM SUBSCRIPTION**

IF THE COMPANY DOES NOT RECEIVE MINIMUM SUBSCRIPTION OF 90% OF THE ISSUED AMOUNT, THE COMPANY SHALL FORTHWITH REFUND THE ENTIRE SUBSCRIPTION AMOUNT RECEIVED WITHIN 78 DAYS. FOR DELAY BEYOND 78 DAYS, IF ANY, IN REFUND OF SUCH SUBSCRIPTION THE COMPANY SHALL PAY INTEREST AS PER SECTION 73 OF THE COMPANIES ACT, 1956.

**ALLOTMENT LETTERS/REFUND ORDERS/SHARE CERTIFICATES:**

Letters of Allotment/Share Certificates/Regret letters together with refund cheques/pay orders/cancelled Stockinvest as the case may be, will be despatched to the sole/ first applicant at the applicant's own risk in case of any delay in refunding the amount interest not exceeding 15% p.a as provided under Section 73 of the Act, shall be paid to such applicants.

Refunds will be made by cheques/pay orders drawn on company refund bankers and bank charges, if any, for encashing such cheques/pay orders shall be borne by the applicant. Such cheques/ pay orders will, however, be payable at par at the branches of refund bankers to the issue located at all places where applications are accepted.

The Company will despatch refund orders of value over Rs.1,500/- by registered post and those of which under value of Rs.1,500/- by ordinary post under certificate of posting and adequate funds will be made available to the Registrars to the Issue, Karvy Consultants Limited.

Where the Company having applied dealing in and listing of equity shares in the stock exchanges referred above such permission has not been granted by the stock exchange(s) within 70 days from the closure of subscription list, then the Company shall forthwith repay without interest all monies received from applicants in pursuance of the prospectus, and if any such money is not repaid within 8 days after the Company becomes liable to repay (i.e. from the date of refusal or within 70 days from the closure of the list whichever is earlier) the Company and every director of the Company who is an officer in default shall on and from the expiry of 8th day be jointly and severally liable to repay the money with interest @ 15% p.a. if however an appeal against any of the decision of any recognised stock exchange refusing permission u/s 22 of Securities Contract (Regulation) Act 1956 is preferred any allotment made under this prospectus shall not be void until the appeal is dismissed.

**FILING**

A copy of this Prospectus having attached thereto the documents required to be filed under Sec 60 of the Companies Act, 1956 has been delivered for registration to the Registrar of Companies, Andhra Pradesh, at Hyderabad.

**ISSUE PROGRAMME:**

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DAYS AS MENTIONED BELOW OR EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY (HEREINAFTER REFERRED TO AS "THE BOARD") BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THE DAY MENTIONED AGAINST THE CAPTION "EARLIEST CLOSING".

**FOR ALL CATEGORIES OF APPLICANTS**

ISSUE OPENS ON	:	TUESDAY	26TH, SEPTEMBER,	1995
CLOSING NOT LATER THAN	:	TUESDAY	10TH, OCTOBER,	1995
EARLIEST CLOSING	:	FRIDAY	29TH, SEPTEMBER,	1995

**PRAMILA KIDNEY HOSPITALS LIMITED**

**LEAD MANAGERS TO THE ISSUE**

**PENNAR PATERSON SECURITIES LTD**

Merchant Banking Division  
Chikoti Gardens, S.P. Road  
Begumpet  
HYDERABAD - 500 016  
Tel # 811472/73  
Fax # 811090

**BANK OF MADURA LIMITED**

Regional Office  
A2/1 Chandralok Complex  
S.D.Road  
SECUNDERABAD -  
Tel # 840425  
Fax # 840425

**AUDITORS OF THE COMPANY**

**V P KUMAR & CO**  
3-98-1, SANGTARATAN  
Pahar Gunj  
NEW DELHI - 110 055

**REGISTRARS TO THE ISSUE**

**KARVY CONSULTANTS LIMITED**

6-1-68/2, Saifabad  
HYDERABAD - 500 004  
Tel # 242208, 242209  
Fax # 230912

**RATING :**

This being an Issue of Equity Shares, no rating from any rating agency is required.

**DEBENTURE TRUSTEES**

The Issue being of Equity Shares, the appointment of Trustees is not required.

**UNDERWRITERS TO THE ISSUE**

The Company does not propose to underwrite the issue.

## II. CAPITAL STRUCTURE OF THE COMPANY

Share Capital	Issue Price (Rs.)
<b>A. AUTHORISED</b>	
35,00,000 Equity shares of Rs.10/ each	3,50,00,000
<b>B. ISSUED, SUBSCRIBED AND PAID UP</b>	
12,50,700 Equity shares of Rs.10/- each	1,25,07,000
<b>C. PRESENT ISSUE</b>	
17,49,300 Equity shares of Rs.10/- each for cash at par.	1,74,93,000
<b>D. OUT OF THE PRESENT ISSUE</b>	
9,84,300 Equity Shares of Rs.10/- each for cash at par are reserved for firm allotment to Promoters Directors, their friends and relatives.	98,43,000
<b>E. NOW OFFERED TO PUBLIC FOR SUBSCRIPTION IN TERMS OF THIS PROSPECTUS</b>	
7,65,000 Equity shares of Rs.10/- each for Cash at par.	76,50,000
<b>F. OUT OF WHICH</b>	
11,200 Equity shares of Rs.10/- each for cash at par are reserved for preferential allotment to the regular and permanent Employees (including Indian Working Directors)/Workers of the Company (hereinafter referred to as "employees")	1,12,000
<b>G. NET OFFER TO THE PUBLIC</b>	
7,53,800 Equity Shares of Rs.10/- each for cash at par.	75,38,000
<b>H. PAID-UP CAPITAL AFTER THE PRESENT ISSUE</b>	
30,00,000 Equity Shares of 10/- each	3,00,00,000

In view of new basis of allotment procedure prescribed in SEBI clarification VIII, in the event of over subscription, it would be necessary to allow a 10% margin of the net offer to the public under "G" above.

## NOTES

- A sum of Rs 1,25,07,000 has already been brought-in by the Promoter and the rest shall be brought in atleast one day before the opening of the issue and same shall be supported by the Auditor's Certificate certifying that the said amount has been brought in conformity with SEBI guidelines.
- Out of the categories B and D above, the minimum subscription from each of friends, relatives and associates have been/ will be Rs 25000/-. However minimum contribution of Rs. 100000/- shall apply in respect of contribution made by firms or corporate bodies not being business associates like dealers and distributors.
- The Promoter holdings shall be locked-in as follows:

S.No.	No. of Shares	Date of allotment	Face Value & Issue Price(Rs)	Nature Of Allotment	% of post issue Equity	Lock-in period*
1.	700	15-2-95	10	for Cash	0.002	Nil
2.	8,50,000	27-3-95	10	for Cash	28.30	Nil
3.	4,00,000	05-4-95	10	other than Cash	13.40	Nil#
4.	2,34,300	to be issued	10	for Cash	7.80	Nil
5.	7,50,000	to be issued	10	for Cash	25.00	5 years@
	22,35,000	8,50,701 to 1,25,07,000			74.5%	

- \*. Commencing from the date of allotment or from the last day of the Month in which Commercial Operations commence, whichever is later.
- #. These shares were allotted to Dr.Ramesh Ramayya in consideration otherwise than for cash towards machinery purchased from Pramila Urological Centre (hereinafter referred to as 'PUC') of which he was sole proprietor and none of the assets so purchased were revalued. The value of machinery purchased from PUC is Rs. 47.55 lakhs as per Chartered Engineer's Valuation certificate.
- @. These shares will be subscribed by the Promoter and his friends and relatives. The subscription amount shall be brought-in one day before the issue opens. 25% of the Post Issue capital which is offered for 5 year lock in period do not form part of Promoter's pre-issue holding.
- Out of 12,50,700 shares as indicated in the 'B' above, 8,50,100 shares were allotted against cash to the Promoter, 600 shares have been allotted to other subscribers to the memorandum & articles of association and the balance 4,00,000 shares were allotted for consideration otherwise than cash i.e, towards machinery purchased from Dr. Ramesh Ramayya.
  - The number of regular and permanent employees for preferential allotment under category 'F' is 56 and allotment of Equity shares under this quota shall not exceed 200 shares per employee and shall be free from lock-in-period. Unsubscribed portion under this category, if any, shall be added back to the public offer under 'G'.
  - As per the SEBI guidelines dated 22 May,1995, 50% of the net public offer of 7,53,800 shares which is 3,76,900 shares shall be reserved for allotment to applicants of shares below 1000.

9 84 300  
7 65 000  
17 49 300

**III. PRESENT ISSUE****TERMS OF THE PRESENT ISSUE**

The Equity Shares now being offered are subject to the terms of this Prospectus, the Memorandum containing salient features of the Prospectus appended along with the Application form, the Articles of Association of the Company, (hereinafter referred to as "The Articles"), the Provisions of the Companies Act 1956 and such other applicable guidelines for the listing of securities issued by the Government of India or other statutory authorities from time to time.

**TERMS OF PAYMENT**

Application for shares must be for a minimum of 500 shares and in multiples of 100 thereafter subject to a maximum of 15000 shares for Indian Public and minimum of 100 shares subject to maximum of 200 shares for employees. The amount payable on Equity Shares will be as follows:

Rs. 10/- payable on application for all categories.

**ISSUE OF SHARE CERTIFICATES**

The Share Certificates will be despatched by Registered Post within three months from the date of allotment in exchange of letter of allotment, if any.

**RANKING OF EQUITY SHARES**

The new Equity Shares shall rank pari-passu with the Existing shares of the Company in all respects except that the holders of the Equity Shares now offered will be entitled to dividend declared, if any, from the date of allotment on a pro-rata basis for the period for which such capital is paid-up on the equity shares.

**HOW TO APPLY****AVAILABILITY OF APPLICATION FORMS AND PROSPECTUS**

Application forms along with the copies of the memorandum containing salient features of this Prospectus may be obtained from the Registered Office of the Company, the Lead Managers to the Issue and the Bankers to the Issue named herein or from their branches as stated on the reverse of the application form.

**APPLICATION BY INDIAN PUBLIC/EMPLOYEES:**

1. Application must be made only :
2. i) On the prescribed application forms (white colour) accompanying this Prospectus and completed in full in **BLOCK LETTERS** in English (except signatures) in accordance with the instructions contained herein and in the application form. Applications if not so made are liable to be rejected.
- ii) For a minimum of 500 shares and in multiples of 100 thereafter subject to maximum of 15000 shares for Indian Public and minimum of 100 shares subject to maximum of 200 shares for employees.
- iii) In single name or joint names (not more than three).
- iv) By Indian nationals resident in India.
- v) In the names of individuals, limited Companies or statutory Corporations/Institutions and not in the names of minors, foreign nationals, non-residents, trusts (unless trust is registered under the

Societies Registration Act, 1860 or any other applicable trust laws and is authorised under its constitution to hold shares, debentures in a Company), partnership firms or their nominees.

- vi) All cheques/drafts accompanying the application should be crossed Account Payee only and marked "a/c PKHL -Public issue". For example, if the application is lodged with Bank of Madura Ltd, the cheque/D.D should be drawn in favour of " Bank Of Madura Limited a/c - PKHL Public Issue". For further instructions, please read the application form carefully.

**HOW TO MAKE PAYMENT**

1. Payment should be made in cash or by cheque or bank draft or Stockinvest (Money orders/postal orders will not be accepted). Cheques or bank drafts or Stockinvest should be drawn on any bank (including a cooperative bank) which is situated at and is a member or sub-member of the Bankers Clearing House located at the place where the application is submitted. **Outstation cheques/drafts will not be accepted and applications accompanied by such cheques/drafts will be rejected. As Stockinvests are payable at par at all centers, payment can be made by outstation Stockinvests also.**
2. All cheques or bank drafts must be payable to "A/C PKHL - Public Issue" (eg. Bank of Madura Ltd A/C PKHL - Public Issue") and crossed Account Payee Only. Stockinvest must be made payable to "PKHL- Public Issue" and crossed A/c Payee only. In the case of payment by cheque or bank draft/Stockinvest a separate cheque / bank draft / Stockinvest must accompany each application form.
3. All application forms duly completed together with cash/ cheque/bank draft/Stock invest (money orders/postal orders will not be accepted) for the amount payable thereon must be delivered before the closing of the subscription list to any of the Bankers to the issue named herein or to any of the branches mentioned on the reverse of the application forms and **NOT TO THE COMPANY OR TO THE MANAGERS TO THE ISSUE OR TO THE REGISTRARS TO THE ISSUE.**
4. No receipt will be issued for the application money. However, Bankers to the issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning acknowledgement slip at the bottom of each application form.
5. **Where application is for allotment of securities, in response to a public Issue through prospectus for a total value of Rs.50,000/- or more, ie the total number of securities applied for multiplied by issue price, is Rs. 50,000 or more, the applicant or in the case of applications in joint names, each applicant should mention his/her Permanent Account Number (PAN) allotted under the Income Tax Act,1961 or where the same has not been allotted, the GIR Number and the Income Tax Circle/Ward/District. In case neither the PAN nor the GIR Number has been allotted, mention "not allotted" in the space provided. Application forms without this information will be considered incomplete and are liable for rejection.**
6. For further instructions, please read the application form carefully.

**PROCEDURE FOR OBTAINING STOCKINVEST**

Investors are informed that only select banks are introducing Stockinvest .

- 1) The prospective investors at the time of request for issue of Stockinvest to the issuing bank, may have to :
  - a) Indicate that he/she agrees to abide by the terms of issue and encashment of the Stockinvest.
  - b) Give irrevocable authority to his/her bank to mark a lien for the value of the Stockinvest.
  - c) agree for lifting of the bankers lien on expiry of the currency of the Stockinvest or in case of intimation of partial, non-allotment of shares.
  - d) agree that the issuing bank will not be liable for any damages or consequences arising out of the loss of these instruments.
- 2) The Stockinvest should bear "A/c Payee" and "Non-negotiable" crossing and shall be payable only to the account of the payee and to the purchaser investor on cancellation.
- 3) The currency of the Stockinvest shall not exceed 4 months. The Stockinvest must be used within 10 days from the date of the issue.
- 4) Application in the name of minors can be made by guardians, as in the case of opening of deposit account. Application in the name of joint holders will also be accepted.
- 5) The Stockinvest issued to the applicant in blank format after the authentication of the date of issue by the designated branch. The Stockinvest duly completed will be submitted alongwith the share application to the bank branch handling the capital issue.
- 6) ALL APPLICATIONS WITH STOCKINVEST(S) ISSUED MORE THAN 10 DAYS PRIOR TO THE OPENING OF THE PUBLIC ISSUE ARE LIABLE TO GET REJECTED
- 7) Service charges if any for issuing Stockinvest must be borne by the applicant.
- 8) Stockinvest should be payable at par at all the mandatory collection centres and as such outstanding Stockinvest can be attached to the application form provided the issuing bank has a branch at the centre or it has arrangement with another banker to facilitate payment.
- 9) Enquiries relating to Stockinvest may be addressed only to the registrar and not to the issuing banker.
- 10) Only Individuals and mutual funds are eligible to use the Stockinvest.

**PROCEDURE FOR PAYMENT OF APPLICATION MONEY BY STOCKINVEST**

Stockinvests issued by any Scheduled Commercial Bank, including Co-operative Bank (even where the issuing banker is not the collecting banker) are accepted. Stockinvest should be signed and dated by the appropriate authority of the issuing bank. Investor has to fill in the Stockinvest, Company name, amount and number of shares applied for and submit the same to collecting banker duly signed together with the application form.

The applicant may approach the bank concerned for obtaining Stockinvest and detailed instructions for the same.

THE ABOVE INFORMATION IS GIVEN FOR THE BENEFIT OF INVESTORS AND THE COMPANY IS NOT LIABLE FOR ANY MODIFICATION OF THE TERMS OF STOCKINVEST OR PROCEDURE THEREOF BY ISSUING BANKS.

The applicant can use this instrument for payment of application money. The applicant using Stockinvest should submit the application form alongwith the instrument to any of the bankers to the issue or their designated branches as mentioned in the form.

The applicant has to fill in the following particulars :

- 1) Title of the account as mentioned in the Application Form.
- 2) Number of Equity Shares applied for.
- 3) The amount payable on application of Rs.10/- per share.

The instrument should thereafter be signed by the applicant. It should also bear the stamp of the Bank issuing the instrument and should be crossed A/c Payee Only. Service Charges for issuing the Stockinvest must be borne by the applicant.

The applicant should not fill in the portion to be filled up by the Registrars to the issue (right hand portion of the instrument). The Registrars to the issue will fill up the right hand side of the Stockinvest indicating the Equity Shares allotted to the applicant and also the amount calculated as follows :

- a) In the case of full allotment, the number of Equity Shares on the right hand side will be the same as the left hand side of the instrument.
- b) In case of partial allotment, the number filled up by the Registrars to the Issue (on the right hand of the instrument) will be less than the number filled up by the applicant on the left hand side).
- c) In case the the allotment is nil, the number filled up by the Registrars to the issue on the right hand side of the instrument will be nil.

No refund order will be issued to those applicants using Stockinvest for payment of application money.

**DISPOSAL OF APPLICATIONS AND APPLICATION MONEY INCLUDING STOCKINVEST**

The Directors reserve the full and unqualified right to accept or reject any application in whole or in part without assigning any reason. If an application is rejected in full, the whole of the application money and where the application is rejected in part, the excess application money will be refunded to the first named applicant, as stated under the para "REFUND/ALLOTMENT" below. The sum received in respect of this issue will be kept in a separate bank account and the Company will not appropriate or shall have access to the funds unless the approval of all Stock Exchanges at which listing is sought is obtained.

Investors who opt for the Stockinvest facility will be treated on par with the other types of payment of application money. After the basis of allotment is decided, the Company would encash the Stockinvest instruments fully for those applicant's who have been considered for full allotment and partially

for those who are partially successful. The unsuccessful applicant's Stockinvest instruments would be returned to the investor without encashing them. The successful/partially successful applicants instruments would, after encashing be deposited in a separate bank account where the cash and other monies received from other investors are deposited, and the Company will send formal letters of allotment to them.

Registrars to the issue have been authorised by the Company (through Resolution of Board passed on 14th August 1995) to sign on behalf of the Company to realise the proceeds of the Stockinvests from the issuing bank or to affix non-allotment advice on the instrument or to cancel the Stockinvests of the non-allottee or partially unsuccessful allottee who has enclosed more than one Stockinvest. Such cancelled Stockinvests shall be sent back by the Registrars directly to the investors.

#### **REFUND/ALLOTMENT**

Refund of application money, after adjusting allotment money, if any, where applicable, shall be made alongwith allotment letter/share certificate and/or regret letter by cheque or demand draft drawn on any of the bankers to the issue and shall be despatched within 10 weeks from the date of closure of subscription list by the registered post to the applicant's address. Such cheques/demand drafts will be payable at par at all centres where applications were accepted. Bank charges if any for encashing refund pay orders/cheques at any other place will be payable by the applicant. In case of any delay in despatch of refund orders, interest as mentioned elsewhere in the Prospectus will be paid to such applicants.

#### **GENERAL INSTRUCTIONS**

##### **JOINT APPLICATIONS :**

Application may be made in single or joint names (not more than three). In the case of joint application, refund/ pay order (if any) interest/divided warrants etc., will be made out in favour of and communications addressed to the applicant whose name appears first at his/her address stated in the Application Form.

##### **APPLICATIONS UNDER POWER OF ATTORNEY**

In the case of applications under Power of Attorney or by Limited Companies or Corporate Bodies, the relevant Power of Attorney or the relevant authority as the case may be or a duly certified copy thereof must be attached to the application form and lodged separately at the Office of the Registrars to the Issue, simultaneously with submission of the application form mentioning the serial number of the application form and the bank branch where the application has been submitted failing which the application is liable to be rejected.

##### **MULTIPLE APPLICATION AND CRITERIA FOR REJECTION**

An applicant should submit only one application (and not more than one) for the total number of equity shares required. Applications may be made in single or joint names (not more than three). Two or more applications in single and/or joint names will be deemed to be multiple applications if the sole and/or the first applicant is one and the same. The Board of Directors reserves the right to reject in its absolute discretion all or any multiple applicant (s). Applicants who

have applied under the reservation for employees/Indian Working Directors/Workers may also apply in the quota offered to the resident Indian public and these applications will not be treated as multiple applications.

#### **APPLICATION NUMBER ON THE CHEQUE/DEMAND DRAFT/STOCKINVEST**

In their own interest applicants are advised to write the application number and name of the first applicant on the reverse of the Cheque/Demand Draft/ Stockinvest.

#### **BANK DETAILS OF THE APPLICANT**

The applicant must fill in the relevant column in the Application Form giving the A/c.No. and name of the bank with whom such account is held, to enable the Registrars to the Issue, to print the said details in the Refund Orders after the names of the Payees. This is in the interest of the applicant for avoiding misuse of the Refund Order.

#### **INTEREST ON EXCESS APPLICATION MONEY**

Payments of interest at the rate upto 15% p.a. on the excess application money will be made to the applicants for the delayed period if any beyond 10 weeks from the date of closure of the subscription list as per the provisions of the Companies Act and guidelines issued by the Ministry of Finance vide their Letter No.F/8/6/SE/79 as amended by Letter No.F/14/2/SE/85/dated 27.09.85 addressed to the Stock Exchanges.

#### **OVERSUBSCRIPTION**

In the event of the present Issue being oversubscribed, the basis of allotment will be finalised in consultation with the Stock Exchange at Hyderabad. In case of oversubscription of more than 5 times a SEBI nominated Public Representative shall be associated in the process of finalisation of the basis of allotment.

#### **BASIS OF ALLOTMENT ON OVERSUBSCRIPTION**

The allotment shall be subject to allotment in marketable lots, on proportionate basis as explained below:

- a) Applicants will be categorised according to the number of shares applied for.
- b) The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of shares applied for in that category (number of applicants in the category X number of shares applied for) multiplied by the inverse of the Oversubscription ratio.
- c) Number of shares to be allotted to the successful allottees will be arrived at on a proportionate basis i.e., total number of shares applied for by each applicant in that category multiplied by the inverse of the oversubscription ratio.
- d) All the applications where the proportionate allotment works out to less than 100 shares per applicant, the allotment shall be made as follows:
  - i) Each successful applicant shall be allotted a minimum of 100 shares; and
  - ii) The successful applicants out of the total applicants for that category shall be determined by drawal of



lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (b) above.

- e) If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot), the number in excess of the multiple of 100 will be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100.
- f) If the shares allocated on a proportionate basis to any category is more than the shares allotted to the applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allotment to the successful applicants in that category. The balance shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for minimum of shares.
- g) As the process of rounding off to the nearest multiple of 100 may result in actual allocation being higher than the shares offered, it would be necessary to allow a 10% margin i.e the final allotment may be higher upto 110% of the size of offering.

#### SECTION 269 SS OF THE INCOME TAX ACT, 1961

In respect of all the above categories eligible to apply to this issue, having regard to the provision of Sec 269 SS of the Income Tax Act, 1961, (I.T. Act) the subscription against these applications should not be effected in cash and must be effected by A/C payee cheques/Draft/Stock invest if the amount payable is Rs.20,000 and above. In case payment is effected in contravention of this provision, the applications are liable to be rejected.

#### TAX BENEFITS

The Directors of the Company have been advised by M/s. V.P. Kumar & Co., Chartered Accountants, 3-98-1, SANGTARATAN, Pahar Gunj, NEW DELHI 110 055, the Auditors of the Company, vide their letter dated 18-3-95 that under the current provisions of the Income-tax Act, 1961 and other applicable direct tax laws, the following tax benefits are available to the company and its members:

#### A. TO THE COMPANY

1. After the issue of Equity Shares to the Public, the Company will be listed on Recognized Stock Exchange in accordance with the provisions of Securities Contracts (Regulation) Act 1956. Accordingly, the Company will be treated as a Company in which the public are substantially interested as defined under section 2(18) of the Income Tax Act, 1961. Therefore, the Income Tax rates applicable on the profits of the Company would be lower and provisions of Wealth Tax Act, 1957 would not be applicable to the Company.
2. The Company is entitled to a deduction under Sec.35(1)(IV) of the IT Act, of the amount equal to 100% in respect of capital expenditure (other than on land) incurred in connection with scientific search related to the business carried on by the company.

3. In accordance with and subject to the conditions specified in Sec.35 (2 AA) of the I.T. Act, the company will be entitled to a weighted deduction of one and fourth times of the amount paid to National Laboratory for scientific research undertaken under a programme approved by the prescribed authority.
4. Under Section 35D of the Income Tax Act, 1961, the Company will be entitled to a deduction equal to one tenth of specified expenditure, including expenditure on the present issue, limits specified in that Section including expenditure on the present issue for a period of ten successive years beginning with the year in which the new industrial unit commences production or operation.
5. Under Section 35 A.B. of the Income Tax Act 1961 the company will be entitled to deduction for any lumpsum consideration paid for acquiring any know-how for Company's business, 1/6th of the amounts so paid be deducted from the profits of the business in the previous year of payment and in the five immediately succeeding previous years. However, where such payments is for development in a laboratory, university or institutions, referred to in Sec.32 A(2B), 1/3rd of the amounts shall be deducted in the previous year of payment and the **balance amount shall be deducted in equal instalments** for each of the two immediately succeeding years.
6. A company holding shares of another company for a period of 12 months or more will be entitled to pay Income tax on long term capital gains @ 40% after adjusting indexed cost of acquisition as per Section 112 of the I.T. Act, 1961.
7. The company will be entitled to a deduction under Section 80M of the I.T. Act, 1961 to the extent of so much of its Gross Total income, by way of dividend from another domestic as does not exceed the amount of dividend distributed by the first mentioned domestic company on or before the due date of furnishing the Return of Income.

#### B. TO THE MEMBERS OF THE COMPANY

##### A. INDIAN RESIDENTS

1. A member, being Individual, Hindu Undivided Family (HUF), (not entitled to be member) Association of Persons or Body of Individuals of specified categories, will be entitled to deduction under Section 80 L of Income Tax Act, 1961 from the gross total income, of an amount upto a maximum of Rs.10,000/- in aggregate per year, in respect of dividend received from the company, together with any income of the nature specified in the said section.
2. Members being individuals resident in India, will be entitled to receive dividends without deduction of Income Tax at source provided:
  - I. The amount of such dividend distributed or paid during a financial year does not exceed Rs.2,500/- or
  - II. The member furnishes to the company, a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that his total income will be less than the minimum liable to income tax or
  - III. The members avails of the facility of no tax deduction/ tax being deducted at a lower rate, by furnishing

a certificate obtained from the Assessing Officer under Sec.197 of the Income Tax Act 1961.

3. Under Sec.80 M of the Act, where the gross total income of the member, being a domestic company, includes any income by way of dividend from another domestic company, they shall be allowed deduction of an amount equal to (I) in the case of a Scheduled Bank or a public financial institution or a month after the date of transfer of assets. The amount so exempted shall be chargeable to tax with the new assets are transferred or converted within three years from the date of acquisition of the specified assets.
4. If the Company's shares are sold by an assessee after being held for twelve months, the gain if any, would qualify, as long term capital gain, which would be computed by deducting from the gross consideration the indexed cost of acquisition and the indexed cost of improvement. The gains so computed would be taxed as separate block at specified rates.
5. The Finance Act, 1992 has not included shares within the meaning of the word Assets under Section 2(ea) of the Wealth Tax Act, 1957. As a result shares subscribed in the Company would not be taken into consideration in determining net wealth liable to Wealth tax.

**B. NON-RESIDENT INDIANS**

Non-Resident Indian has an option to be governed by the provisions of Chapter XII-A of the I.T.Act, 1961, according to which:

1. Under Section 115E of the I.T.Act,1961, where the total income of an assessee consists only of investment income of income by way of long term Capital Gains or both dividends on share of the Company acquired out of convertible foreign exchange shall be taxed at the rate of 20% subject to other provisions of the Act.
2. Any long term capital gain arising from the transfer of shares shall be exempted from Income Tax Act, 1961, provided that they are acquired out of convertible foreign exchange and the amount of net consideration is invested wholly or partly in specified assets within six months after the date of transfer of assets. The amount so exempted shall be chargeable to tax if the new assets are transferred or converted within three years from the date of acquisition of the specified assets.
3. Under the provisions to Sec.48 of I.T. Act, 1961 in computing capital gains arising from transfer of shares of an Indian Company protection is provided to all Non-Resident Indians from fluctuations in the value of rupee in terms of foreign currency in which the original investment in shares was made.
4. Under Sec.115 AC(4) of the I.T.Act, 1961 the members of the Company who are Non-Resident Indians and have only investments income by way of long-term capital gains or both need not file income-tax returns if tax has been deducted at source on such income.
5. Members will not be liable to pay Wealth Tax on the value of shares held by them.
6. A share holder of the Company being citizen of India or person of Indian origin who is not residing in India

will be entitled exemption under Sec.5(1)(2) of the Gift Tax Act, 1958 in respect of the gifts made to any of this relatives in India in form of equity shares acquired out of convertible foreign exchange.

**C. TO FOREIGN INSTITUTIONAL INVESTORS:**

- 1 Under Sec.115 AD (i) Income by way of Long Term Capital Gains arising from the transfer of shares will be taxable @ 10%.
2. Under Section 115 AD (i) (b) (ii), Income by way of short term capital gain arising from the transfer of Shares will be taxable @ 30%.
3. Under Section 115 AD(i) (b) (i), income received in respect of shares will be taxable @ 20%.

**IV.PARTICULARS OF THE ISSUE**

**OBJECTS OF THE ISSUE**

**The Project**

The proposed project is to takeover the existing facilities of Pramila Urological Centre and create Integrated Medical Facilities in the areas of :

- Treatment for major Urological cases like Kidney, Bladder etc.
- To take up cases requiring Advanced Urological procedures and
- To investigate complete bladder and prostate problems using Urodynamics etc.

**The objects of the present issue are as follows :**

1. To part finance the cost of taking over existing facilities (including buildings on lease basis) of Pramila Centre.
2. To part finance the cost of setting up of 2 new Urology centres in Hyderabad.
3. To get the shares listed on the Stock Exchanges.
4. To meet the expenses of the Issue.

**COST OF PROJECT AND MEANS OF FINANCE**

The Cost of Project and Means of Finance as estimated by the Company are as follows:

**Particulars**

**Cost of Project**

	(Rs.in lakhs)
Land & Buildings (lease advance)	84.96
Plant and Machinery	
Indigenous*	90.33
Imported **	32.00
Misc. Fixed Assets	19.48
Furnitures & Fixtures	30.00
Vehicles	4.63
Pre-operative Expenses	5.00
Public Issue Expenses	10.00
Contingencies	10.60
Working Capital	15.00
<b>TOTAL :</b>	<b>302.00</b>
	=====

**Means of Finance****Equity:**

Promoters	223.50
Public	76.50

	300.00
Unsecured loans	2.00
<b>TOTAL :</b>	<b>302.00</b>

\* Includes cost of machinery purchased from Pramila Urological Centre.

\*\* "Imported Machinery" component consists of margin money and custom's duty for the Lithotripter which is being purchased from Dornier GMBH, Germany at a cost of DM 4,35,000. The Total landed cost will work out approximately as follows :

CIF Value in Rupees ( @ Rs 18.40 per DM )	: Rs 80 lakhs
Customs duty	: Rs 20 lakhs
	<u>Rs 100 lakhs</u>

The cost of the lithotripter is being financed as follows :

- A) Rs 32 lakhs provided in the Cost of Project towards
- (a) Margin money to Bank of Madura for DPG facility : Rs 12 lakhs
- (b) Customs duty : Rs 20 lakhs
- B) Rs 24 lakhs to Bank of Madura @ Rs 2 lakhs per month for 12 months after opening of L/C, out of Internal accruals
- C) Rs 44 lakhs as term loan from Bank of Madura to be disbursed at the end of the supplier's credit period of 1 year from the date of opening of L/C.

**NOTES:****Deferred Payment Guarantee**

1. The Company has received the sanction for deferred payment guarantee limit from BANK OF MADURA LIMITED to the extent of DM 400,000 (Rs 80 lakhs) (vide their sanction letter No.RM:GL:08/95-96 dated 02.5.95).

**TERMS AND CONDITIONS**

Import L/C	Limit Rs 80.00 lakhs - DA terms - Tenor 180 days initially and to be extended for 180 days upon RBI's prior approval.
Margin	15% cash margin.
Commission	As per FEDAI rules
Purpose	To Import Dornier Lithotripter machine from Dornier Asia Medical Equipment.
Secured Term	Rs 44.00 lakhs. Repayable in 36 equal monthly installment
Loan Limit	Instalment from the date of availment.
Margin	45%
Rate	19% + interest tax
Security	Import L/C/Term Loan ( primary) Hypothecation of one Dornierlitho tripter

Collateral Security	Hypothecation of the present assets of Pramila Nursing Home
Guarantee :	Personal Guarantee of the three directors.
	1. Dr. G.P. Ramayya
	2. Dr. Pradeep Ramayya
	3. Smt. Pramila Devi.

**Other Important Terms & Conditions**

- a) During the DA period, Company has to remit Rs 2.00 lakhs every month for 12 months.
- b) L/C will be opened only after the public issue is over & fully subscribed.

**2.UNSECURED LOANS**

The Unsecured loans of Rs 2 lakhs to be brought in by the promoters are interest free and are payable by the Company in due course of time. However no time limit for repayment is fixed.

3. The brief basis for estimation of Cost of Project is as follows:

- \* All the proposed centres are being located in premises taken on lease.
- \* Cost of Machinery and Equipment includes cost of Lithotripter which is being imported from Germany, Dialysis unit and Other medical OT equipment, Urology laser, Advanced urology endoscope, Endocamera, and Image Intensifier.
- \* Misc Fixed assets consists of air conditioners, Communicating systems, pipeline systems for oxygen, computers and generator set.
- \* Contingencies are taken @ 10% of Plant & Machinery and Misc. Fixed Assets except Lithotripter.

**BASIS FOR WORKING CAPITAL REQUIREMENTS**

Consumables	No. of Days	(Rs lakhs) Amount
1. Stock Of Pharmacy	30	3.26
2. Stock of Tools	60	2.32
3. Stock food & Beverages	15	0.25
4. Salary & Wages	30	5.80
5. Power	30	0.50
6. Water	30	0.17
7. Adm. Overhead	30	1.20
8. Machinery maintenance	30	0.50
9. Other Expenses	30	1.00
<b>TOTAL</b>		<b>15.00</b>

Working Capital limits have not been assessed by the Company's bankers.

**V. COMPANY, MANAGEMENT AND THE PROJECT**

**HISTORY AND PRESENT BUSINESS OF THE COMPANY**

Pramila Kidney Hospitals Limited was incorporated on 15th February, 1995 by taking over the existing facilities of Pramila Urological Centre on lease from Dr. Ramesh Ramayya. The Company has received the Certificate of Commencement of Business on 14th March, 1995.

Pramila Urological Centre, was originally setup as Pramila Nursing Home in 1970 as a proprietary concern by Dr. G.P Ramayya. The name was later changed to Pramila Urological Centre and the management was taken over by Dr. Ramesh Ramayya in 1989. He has been running the Urological centre successfully since then.

**PRESENT BUSINESS OF THE COMPANY**

Pramila Kidney Hospitals Limited proposes to offer comprehensive and specialised services relating to Urology and Nephrology which Pramila Urological Centre has been offering. These services include:

- Treatment for major Urological cases relating to Kidney, Bladder and prostate both endoscopic and non-endoscopic.
- Advance Urological procedures requiring use of hi-tech equipment like Endo camera, Laser, Lithotripter, Advance Endoscopic both rigid and flexible including Miniscope.
- Paediatric Urology with the help of Miniature Endoscope.
- Urodynamics, to investigate complex bladder and prostate problems.

**MAIN OBJECTS OF THE COMPANY**

The main objects of the Company as set out in its Memorandum and Articles of Association are:

1. To build, erect, construct, promote, manage, administer, own, set up and carry on the business of running Hospitals, Clinics, laboratories, laser clinics, Dialysis centres, Kidney transplant and Urology dispensaries, maternity homes, health resorts, physiotherapy centres, diagnostic centres and research institution.
2. To carry on the business and profession of medical, surgical, urology and urology related consultancy.
3. To buy, sell, construct, manage, improve, maintain, take on lease or promote the establishment of nursing homes, clinics, dispensaries, health clinics, cat scan centres, X-ray clinics, center for medical and/or health care, family planning centres.
4. To carry on the business of dispensary, chemist, druggist and pharmacist.
5. To establish training centres for nursing and Medical, Surgical Post-graduate education. To organise workshops, seminars and post-graduate educational programmes for urology, nephrology and related speciality.

**SUBSIDIARIES:**

The Company does not have any Subsidiary within the meaning of the Companies Act, 1956.

**PAST PERFORMANCE**

The Company was incorporated on 15th February, 1995 and received certificate of Commencement of Business on 14th March, 1995. Therefore the Past financial performance of Pramila Urological Centre is being furnished.

The financial performance of Pramila Urological Centre for the last 3 years is as follows:

	Rs. in lakhs			
	1994-95 (11 months ended 28.2.95)	1993-94	1992-93	1991-92
Gross Income	94.92	80.07	37.11	27.68
Hire Charges*	25.98	25.92	3.65	-
Income	68.94	54.15	33.46	27.68
Expenditure	56.45	42.75	24.09	19.55
Gross Profit	12.49	11.40	9.37	8.13
Interest	2.23	2.59	2.65	2.29
Depreciation	6.45	5.50	3.57	4.00
PBT	3.81	3.31	2.95	1.84
Provision for Tax	-	-	-	-
PAT	3.81	3.31	2.95	1.84

\* Hire charges for lithotripter, taken on hire from Indian Hospital Corporation (Apollo Hospitals group).

**SIGNIFICANT ACCOUNTING POLICIES**

- \* All income are taken on cash basis.
- \* All expenses debited on accrual basis.
- \* Stock of Consumables and Medicines valued at cost.
- \* Depreciation has been calculated on straight line basis at the rates provided under schedule XIV of the Companies act, 1956.

**VI. PROMOTERS AND MANAGEMENT**

**PROMOTER AND HIS BACKGROUND**

Dr. Ramesh Ramayya, aged 39 years, the promoter of the Company is a Urology Specialist, having completed his MBBS from Osmania University. He later went abroad and completed LRCP/MRCS (London), FRCS(London), FRCS (Edinburgh) and M.ch (Liverpool) with specialisation in Urology. He has undergone extensive training in the latest techniques in Urology in United Kingdom.

Dr. Ramesh Ramayya took over the management of Pramila Nursing Home in 1989 from his father and converted it into Pramila Urological Centre. He has done more than 10,000 Urological surgeries till date and is considered one of the most experienced surgeons of the Country in Urology and Endo-Urology. He has been instrumental in equipping Pramila Urological Centre with State-of-Art medical equipment.

Dr. Ramesh Ramayya has the distinction of having performed KEY HOLE SURGERY and LASER PROSTATE SURGERY for the first time in ANDHRA PRADESH. (source: Newstime dtd 3-11-86, The Hindu dtd 13-9-94). He is the winner of the prestigious DANTEC award presented by BRITISH ASSOCIATION OF UROLOGICAL SURGEONS. He has presented several papers on Urology at National and International Conferences and has conducted workshops to demonstrate advanced Urological Surgery techniques.

Dr. Ramesh Ramayya's experience in the field of Urology is illustrated below:

Year	Organisation Worked in	Position Held	No. Of Surgeries
1978-79	Cambridgeshire Health Authority & Nottinghamshire Health Authority UK	House Officer	62
1980-82	Hampshire and North West Durham Health Authority UK	Senior House Officer & Registrar, General Surgery	100
1982-83	Meralyside Area Health Authority UK	Registrar Urology, General Surgery	500
1983-86	Pramila Urological Centre	Consultant Urologist	2318
1986-89	Durgabai Deshmukh Hospitals Apollo Hospitals CDR Hospitals Pramila Urological Centre	Consultant Urologist	2215
1989-95	Pramila Urological Centre	Consultant Urologist & Director Urological Services	9420

The type of surgeries performed by Dr. Ramesh Ramayya include:

Cystoscopy	Urethroplasty
Ureterscopy	Vaso Vasostomy
Cremasteric Release	Renal Transplantation
Orcodopexy	Total Cystectomy
Hypospadias	Urinary Diversion
Open Prostate	Radiual Nephrectomy
TURP	Pyeloplasty
TURT	Laprosurgery
Laser Prostate	Nephriillity
PCNL	
URS	
ESWL	

List Of Operations Assisted from 1992 till date

UROLOGICAL PROCEDURES	LAPROSCOPIC PROCEDURES
Hydrovelectomy	Nephrectomy
Cremasteric Muscle release	Varicoelelectomy
Orchiectomy for torsion of testis	Uretero-lithotomy
Orchiectomy for testicular malignancy	
Orchiectomy for Carcinoma of Prostrate	
Varicoelelectomy	
Repair of Hypospadias	
Millin's Prostatectomy	
Salvage Cystectomy	
URS	
PCNL	
ESWL	
Laser Prostate	
Optical Urethrotomy	
Neoureterocystostomies	

Ureterolithotomy  
Pyelolithotomy  
Modified Pyelolithotomy of gilvernet  
Anderson - Hynes Pyeloplasts  
Simple Nephrectomy  
Transurethral rejection of prostrate  
Bladder neck incision  
Tranurethral resection of tumour  
Fulguration of posterior Urethral valves  
Transversical repair of Vesico Vaginal fistula

The details of the shares held by the main promoter Dr. Ramesh Ramayya is as follows:

S.No.	No. of Shares	Date of allotment	Face Value & Issue Price(Rs)	Nature Of Allotment	% of post issue Equity
1.	100	15-02-95	10	for Cash	0.00
2.	8,50,000	27-3-95	10	for Cash	28.3
3.	4,00,000	05-4-95	10	other than Cash	13.41
					41.67
12,50,100					

NOTE: The Promoter has not promoted any Company other than Pramila Kidney Hospitals Limited.

There are no pending Disputes/litigations/defaults against the Company/Promoter/Directors.

None of the Promoter/Directors have held Directorship in any of the companies in the last 12 months.

None of the Promoter/Directors were partners in any other ventures in last 12 months.

There are no litigations against any of the Directors in their personal capacity.

There was no prosecution launched against the Company/Promoter/Directors under Income Tax Act, 1961.

## MANAGEMENT

The Company is headed by a Board of Directors, who have rich experience in managing hospitals and shall make all the policy decisions of the Company. The day to day operations will be looked after by Dr. Ramesh Ramayya, Managing Director who will be assisted by a team of professionals who will inturn lead their respective departments.

Dr. Ramesh Ramayya will also be responsible for the general administration and supervision of the Company. With his experience in the similar functions for the past 8 years, he has requisite credentials. He is supported by a team of medical professionals in surgery and other medical activities and a team of professionals in Administration.

Dr. Ramesh Ramayya is assisted in Surgery by Dr. Ramana Murthy. Dr. Ramana Murthy aged about 30 years is a medical graduate with about 8 years of experience in treating tropical diseases. Before joining Pramila Nursing Home in 1989, he worked as general practioner in association with W H O representative in Port Blair. He is been independently looking after the department of Urodynamics and Lithotripsy in Pramila Urological Centre since 1989.

Gp. Cpt. Choudhari (rtd) aged 50 years has degrees like M.Sc and M.B.A to his credit, he has been working at Pramila Urological Centre since 1992. He retired from Indian Air Force after Full Commission, as Group Captain. He is responsible for the general administration of the Company.

Sr.Monica Browne aged 50 years looks after the nursing department. She took her nursing school graduation from Osmania University and worked in Osmania General Hospital as Senoir Supervisory Operation Staff. She joined Pramila Nursing home in 1970 as Nursing Superintendent. She used to be responsible for organizing the Operation Thaetres for various surgeries. With the rich experience in Nursing she took over the responsibility of nursing department in the Company.

There were no material changes in the Key management personnel otherwise than by way of retirement.

**BOARD OF DIRECTORS**

A brief profile of the directors of the Company is given below :

NAME, ADDRESS & OCCUPATION	OTHER DIRECTORSHIPS
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<b>Dr.G.P.Ramayya</b> S/o Late Shri G.Ramakrishnayya 5-9-34/3, Basheerbagh Hyderabad - 500 029 <b>SURGEON</b> <b>CHAIRMAN</b>	NIL
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<b>Dr.Gurijala Ramesh Ramayya</b> S/o Dr.G.P. Ramayya 5-9-34/3, Basheerbagh Hyderabad - 500 029 <b>UROLOGIST</b> <b>MANAGING DIRECTOR</b>	NIL
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<b>Dr.Gurijala Pradeep Ramayya</b> S /o Dr.G.P. Ramayya 35- Aytoun Road Pollokshields, Glasgow United Kingdom <b>ANAESTHETIST</b> <b>DIRECTOR</b>	NIL
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<b>Smt. Pramila Devi</b> W/o Dr.G.P. Ramayya 5-9-34/3, Basheerbagh Hyderabad - 500 029 <b>HOUSEWIFE</b> <b>DIRECTOR</b>	NIL
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There are no pending disputes/litigations defaults to financial institutions/bank, non-payment of statutory dues, proceedings initiated for economic offenses against the Promoter and Directors.

The Directors do not hold directorship in any Company other than what has been disclosed against their respective names.

Dr. G.P. Ramayya aged 80 years is a Graduate in Medicine with a Gold medal in Surgery from Osmania University . He has done his FRCS from England and started his career by joining AP Health Services and has served in various capacities including Professor of Surgery in Osmania University, Principal, Gandhi Medical College and Chief Surgeon, Gandhi

Hospital. He retired from service in 1968 and started Pramila Nursing Home in the year 1970 where he practised as a Surgeon till 1989. He serves the Company in the capacity of Chairman.

Dr. G. Pradeep Ramayya, Director, aged 37, graduated with MBBS from Osmania University in 1979 and obtained Fellowship in Anaesthesia from Royal College of Anaesthetists, London in 1984. He is presently working as Consultant and Vice-Chairman, Department of Anaesthesia, HCI International Medical Centre, Glasgow, UK. He was also a consultant at Aberden University Hospital, UK. He has invented MULTIMODE BREATHING SYSTEM for use in Anaesthesia. He has also won many awards from Society of Anaesthetists, U.K .

Smt.Pramila Devi aged about 75 years, wife of Dr.G.P. Ramayya, is a housewife.

**VII. DETAILS OF THE PROJECT**

**PROJECT**

The present project is for taking over the existing Business of Pramila Urological Centre at Basheerbagh and setting up new facilities for various sub-specialities like Lithotripsy, Andrology Infertility, Kidney Transplantation, Paediatric Urology and EndoUrology etc.

Each sub-speciality will be developed into a separate department and will be under the supervision of a whole-time consultant Urologist, a specialist in that particular sub-speciality, thus improving the quality of Urology and Kidney Care Services. The project also includes setting up of 2 more centres of 40 beds each , one at Secunderabad and another at Dilsukhnagar, thus increasing the present capacity of 40 beds to 120 beds.

**LOCATION OF THE PROJECT**

The capacity of the existing hospital at Basheerbagh is 40 beds (which is in the heart of Hyderabad city). The proposed 2 centres will be strategically located at Secunderabad and Dilsukhnagar catering to two different locations. In order to expand its activities geographically and to attend a crosssection of patients, centres one each in Secunderabad and Dilsukhnagar which were hitherto unattend areas (which includes huge capital expenditure). Secunderabad and Dilsukhnagar are fast developing areas of the city, but medical services particularly in Urology in these areas are not developing proportionately. There are no specialised Urology centres in these areas till date and Company's centres are going to be the first Urological centres in these areas. To save on huge capital expenditure, the Company has entered into lease agreements for land and Buildings for all the 3 centres

**LAND AND BUILDINGS**

**BASHEERBAGH**

The Company has taken over the existing building of Pramila Urological Centre located at Basheerbagh consisting of an area of 17,500 sq.ft on lease basis. The building is equipped with all the latest facilities catering to Urology . It consists of 22 Rooms, 3 Operation Theatres, 2 General wards, 1 Day Ward, 1 Recovery room, 4 Nurse stations, a Pharmacy, a lab, Examination Room, Consultation Room, a total Administration setup and a full fledged library on Urology.

Salient Features of Lease Agreement are as follows:

1. In consideration of the Security deposit and the compensation hereby reserved and the terms and condition and covenants hereinafter contained and on the part of the lessee to be paid observed and performed, the lessor hereby demises unto lessee whole of the premises, infrastructure and facilities together with the full right for the lessee, its employees, agents, customers, and licensees and all other persons authorised by or having relations with the lessee, to use (in common with all other having the like right) for the term of 10 years from 16th March 1995 (not withstanding the date hereto) with an option for renewal as hereinafter provided paying and yielding unto the lessor during the said term a monthly compensation of Rs. 1,20,000/- (Rupees One lakh twenty thousand only) exclusive of electricity and water charges and maintenance charges for the common facilities, hereafter payable in respect of the demised premises in advance on or before the 7th day of each English Calendar month.
2. **THE LESSEE HEREBY CONVENANTS WITH THE LESSOR AS FOLLOWS:-**
  - i) To pay to the lessor the said monthly compensation hereby reserved on the date and in the manner aforesaid
  - ii) To pay all charges for electricity, both for the light, power and water as may from time to time be consumed in the demised facilities by the lessee, as per bills from concerned authorities.
  - iii) The party of the second part shall be liable to pay in addition to the aforesaid compensation taxes levied, fees and other charges which may be payable or may become payable in respect of the user of the facilities by the party of the second part.
  - iv) That it is agreed that after the expiry of terms of three years, the monthly compensation shall be increased by 15% over the last amount paid, which shall be further increased by 15% after the expiry of each three years.
  - v) To keep the demised premises the lessor's fixtures and fittings there in as also the sanitary and electrical fittings during the term hereby created in good repair and condition. Reasonable wear and tear and day to day repairs such as fuses, leakages of water taps, shall be done by the lessor at their own cost. The damage to the demised property by fire, earthquake, civil Commotion, Act of god and other irresistible forces always shall be the responsibility of the lessee.
  - vi) To use and occupy the demised facilities solely and exclusively for hospital purposes and not for any other purposes.
  - vii) Not to assign or let/sublet or otherwise part with the demised facilities or any part thereof without the previous written consent of the lessor, except for hospital use or for carrying out the activities of the lessee in connection with the hospital and health services.
  - viii) Upon the expiry of termination of this lease, to

peacefully and quietly yield the demised facilities in good repair condition and to remove there from any partitions, lightings, erected or installed therein by the lessee and to restore the demised facilities to its original condition unless the lessor shall express his willingness to purchase the same at a valuation acceptable to the lessee.

### 3) **THE LESSOR HEREBY CONVENANTS WITH THE LESSEE AS FOLLOWS:-**

- i) The Lessor has got right and full power to grant lease of the demised business to the lessee. The lessor represents and warrants that he being the owner of the hospital is fully empowered and authorised and able to make this lease and that he will render the lessee free and not liable for any demands, claims, action or proceedings by others in respect of the quiet possession or use of the hospital infrastructure and facilities.
- ii) That upon the lessee paying the compensation hereby reserved and observing and performing the several stipulations in its part therein contained, the lessee shall peacefully hold and enjoy the demised facilities during the said term without any interruption by the lessor or any person claiming through, under or in trust for the lessor.
- iii) That the lessee shall have the full right and authority for its employees, agents, customers and licensees and persons authorised by the lessee to use all the infrastructure facilities.
- iiia) The lessor shall provide all the maintenance of premises, provide adequate security and make replacements of the equipments fitted into the premises.
- iv) The lessee shall have the right of free passage and running water in and through or under the demised premises and /or the land underneath and also having their right to lay pipes, wires and cables upon through and under the demised premises and the land underneath or otherwise as may be necessary in confirmatory with the lessor's aforesaid agreement with the builder's and municipal bye-laws.
- v) The lessee shall have their right to install lights, fans, air-conditioners, partitions for making any cabins etc. and /or may remove or alter the walls and fitting doors and windows etc at their own cost to facilitate access from/intergaration of different flats/offices etc, in the demised premises to suit its own convenience without any objection from the lessor but subject to the municipal by-laws and builder regulations.
- vi) To pay a sum of Rs 84.96 lacs (eighty four lacs and ninety six thousand only) being 50% of the rent payable in respect of the property mentioned in the schedule to the party of the first party before taking over the possession of the premises.
- vii) That the lessee will have all rights of light, air and other easements and rights held, enjoyed belonging to or in any way pertaining to the demised premises from or over any adjacent or neighbouring land and building.

## PRAMILA KIDNEY HOSPITALS LIMITED

- viii) To ensure repairs, maintain and otherwise keep in good condition the lifts, entrances, staircases, passage, landings and all other parts of the building enjoyed by the lessee.
- ix) The lessor hereby assures the lessee that fire fighting equipments/arrangements in common areas in the building as are required under the act are already provided. However, if any further arrangements are to be made or equipment are to be installed in the common area in future all expenses relating to that will be borne by the lessor only.
- x) To use the name and reputation of the Pramila Kidney and Urological Hospital and for which no other reward or compensation shall be payable.

\*facilities mentioned in the lease agreement include 67 beds, 49 lockers, 89 chairs, 28 IV-stands, 20 Television sets, 24 bedside tables, 5 refrigerators, 4 windows A/cs, 3 Theatre A/cs, 2 wheel chairs, 4 stretcher trolleys, 3 transfer trolleys, 4 emergency trolleys, 3 examination tables, 2 operating tables, 1 theatre shadowless lamp, 1 servo stabiliser, 1 62.5 Kva Generator, 8 Office tables, 10 Almirahs, 26 oxygen cylinders, 1 fax machine, 1 horizontal steriliser, 2 medium size sterilisers and a full fledged urology library.

As per the lease agreements lease period is renewable upon mutual consent of terms & conditions after the initial lease period of 10 years and the Company envisages no difficulty in getting the same renewed. However company proposes to have owned premises within this period.

### SECUNDERABAD

The Company has entered into Lease Agreement for the buildings bearing postal address 8-1-9, Market street, Secunderabad with Dr. Jawant Rao & Associates. The lessor will complete the construction of the buildings as per the **specifications of the Company. The area of land at secunderabad is about 14,200 sq.ft with a dialysis room, 6 consultation & Examination rooms, 9 ward rooms, 2 Operation theatres, 1 Intensive Care Unit, 1 Post Operative room, 1 nurses room, sterilising plant, 4 storage rooms and a office complex with a reception.**

#### **Salient Features of Lease Agreement are as follows:**

1. That the period of the lease will be 10 years effective from the date of the possession by the second party which will not be later than 30th May, 1995.
2. That the second party will be entitled to use the property in whatever way it decides except that it will not change the basic structure of the property.
3. The second party (lessee) shall pay monthly rent of Rs.57,000/- for the use of the building from the end of the month of the previous month and it shall be paid in the following month. Since the property is owned by Dr. Jaswant Rao and Smt. Shoba Kumari in equal proportions, the relevant cheques shall be issued to Dr. Jaswant Rao & Smt. Shoba Kumari in proportion. This amount will increase by 10% after the end of 24 months from the start of this lease by 15% after 48 months and 20% after 72 months and 25% after 96 months.
4. In consideration of the use made available to the lessee,

the lessee do hereby demise the property, to hold the said premises hereunder expressly demised upto the lessee for the period of 10 years paying therefor the charges as mentioned elsewhere in this agreement.

5. a. Water, electricity, municipal tax to be paid by the lessee as levied by APSEB & MCH from time to time.  
b. It is mutually agreed that the lessee and the lessor undertake the repair of borewell, motor or any other electrical connections connected with borewell and pump in case they fail to function.
6. The lessor doth hereby covenant with the lessee that the lessee paying the charges hereby reserved and performing in he covenants herein before on the lessee's part contained shall and may peacefully enjoy the demised facilities and the said terms hereby granted without any interruption or disturbance except as contained in para 8 from or by lessor or any other person or persons lawfully claiming from or under the lessor and more particularly will be entitled to.
  - a. To use the property in running any hospital, clinic, dispensary, diagnostic centre, health care centre, operation centre, or any other way it deem fit.
  - b. To do alterations/modifications in the premises in the manner it suits the requirements till it do no harm the basic structure of the property.
  - c. To put any equipment, plant or apparatus which suits his requirements or business needs at the property.
  - d. To use part or whole of the property as residence of its officers, employees, or persons connected to his business.
  - e. To enjoy the power and water connections installed at the premises in lessor name during the period of lease.
7. That, if the lessee fails to pay the lease rent as set out in para 3 continuously for the period of 36 months to the lessor, the property vest into lessor who will be entitled to recover the arrears if any from the lessee and to enjoy the property in what ever way or let to any other person or body corporate for any compensation or right against the lessor but will be entitled for removal, custody or possession of all furniture, fixtures, equipments, machinery or apparatus deployed by him on the property.
8. All the disputes and differences arising out of in anyway touching or concerning these presents shall be settled in accordance with the provisions of the Arbitration Act, 1940.

### DILSUKHNAGAR

The Company has entered into lease agreement for the buildings at Dilsukhnagar bearing the postal address 16-11-741/c/c, Main Road, Moosarambagh, Dilsukhnagar, Hyderabad with Dr. Surinder Reddy & Associates. The built in area is about 15,000 sq.ft. The building consists of 1 lab, 1 pharmacy, 3 office rooms, a reception, 2 consultation & examination rooms, 1 operation theatre, 1 intensive care unit, 1 post-operative ward.

#### **Salient Features of Lease Agreement are as follows:**

1. That the period of the lease will be 10 years effective



from the date of the possession by the second party which will not be later than 30th May, 1995.

2. That the second party will be entitled to use the property in whatever way it decides except that it will not change the basic structure of the property.
3. The first party will be entitled for a compensation of Rs 40,000/- per month from the second party for the use of the property. This amount will increase by 15% after end of every 36 months from start of lease.
4. That the consideration i.e Rs. 40,000/- per month with an increase of 15% after every 36 months will be paid by the second party every month within 7 days of every completed month.
5. In consideration of the use made available to the lessee, the lessee do hereby demise the property, to hold the said premises hereunder expressly demised upto the lessee for the period of 10 years paying therefore the charges as mentioned elsewhere in this agreement.
6.
  - a. Water, electricity, municipal tax to be paid by the lessee as levied by APSEB & MCH from time to time.
  - b. It is mutually agreed that the lessee and the lessor undertake the repair of borewell, motor or any other electrical connections connected with borewell and pump in case they fail to function.
7. The lessor doth hereby covenant with the lessee that the lessee paying the charges hereby reserved and performing in the covenants hereinbefore on the lessee's part contained shall and may peacefully enjoy the demised facilities and the said terms hereby granted without any interruption or disturbance except as contained in para 8 from or by lessor or any other person or persons lawfully claiming from or under the lessor and more particularly will be entitled to :
  - a. To use the property in running any hospital, clinic, dispensary, diagnostic centre, health care centre, operation centre, or any other way it deem fit.
  - b. To do alterations/modifications in the premises in the manner it suits the requirements till it do not harm the basic structure of the property.
  - c. To put any equipment, plant or apparatus which suits his requirements or business needs at the property.
  - d. To use part or whole of the property as residence of its officers, employees, or persons connected to his business.
  - e. To enjoy the power and water connections installed at the premises in lessor name during the period of lease.
8. That, if the lessee fails to pay the lease rent as set out in para 3 continuously for the period of 36 months to the lessor, the property vest into lessor who will be entitled to recover the arrears if any from the lessee and to enjoy the property in whatever way or let to any other person or body corporate for any compensation or right against the lessor but will be entitled for removal, custody or possession of all furniture, fixtures, equipments, machinery or apparatus deployed by him on the property.
9. All the disputes and differences arising out of or in anyway

touching or concerning these presents shall be settled in accordance with the provisions of the Arbitration Act, 1940.

The Company has already taken possession of all the 3 centres and the Basheerbagh centre has commenced commercial operations on full scale from 15th March, 1995.

Note: The lessors of Secunderabad and Dilsukhnagar land and buildings are not related to the Promoter and do not have any interest in the Company. Basheerbagh property has been taken on lease from Dr. Ramesh Ramayya, Managing Director and he is deemed to be interested to the extent of lease rentals and deposit payable to him.

#### PLANT AND MACHINERY

The Company has purchased the existing machinery of PUC (Proprietor: Dr. Ramesh Ramayya), payment for which has been made in form of 4,00,000 fully paid up equity shares of Rs 10/- each. The details of Plant and Machinery purchased from PUC are given below:

Item	Year of Manufacture	Residual Life(Yrs)	Original Cost (Rs Lakhs)	Value as per Valuer's Certificate (Rs Lakhs)	Cost of Acquisition (Rs Lakhs)
PCNL	May 1990		2.53	1.39	—
Accessories					
Endo camera	May 1991	8	3.00	1.92	2.30
Cystoscope	Feb 1991		1.54	0.98	—
Oxygen & Nitrous Oxide Pipeline	April 1992	10	0.205	0.14	0.15
Pulse Oximeter		10	0.40	0.13	0.25
Rigid grasping Forceps	Sep, 1992	8	15.53	0.10	0.10
Laparoscope	June, 1993	10	3.29	2.69	2.40
Lithoclast	June, 1994	10	7.21	4.55	5.50
Surgical Laser	Oct, 1994	10	28.0	25.48	25.00
Accord EPABX System	Dec, 1994	10	2.20	2.00	2.00
Image Intensifier	1990-1994	10	10.00	7.28	1.60
Horizontal Steriliser	1990-1994	10	1.50	0.89	0.70
Total			75.405	47.55	40.00

Lithotripsy is at present conducted with the Lithotripter taken on lease from Indian Hospitals Corporation (Apollo Hospitals group) by Pramila Urological Centre. The following are the Terms and Conditions:

1. The equipment shall be located at Pramila nursing Home, Basheerbagh, Hyderabad.
2. Since 3 months after the installation of the equipment, a minimum of 30 patients will be treated. However the guaranteed minimum of 30 patients will get reduced proportionately to the extent of days lost due to bandhs, riots, cyclones etc.
3. IHC will be responsible for the maintenance of the equipment in proper working conditions and the operator shall be responsible for safety, security of the equipment.
4. IHC will be responsible for the supply of consumables

required for the treatment of the patients in time.

5. The operator will provide at his own cost the utilities required for the working of the equipment like electricity, treated water, air conditioning, as per parameters suggested by manufacturers of the equipment.
6. The patients charges for the treatment would be Rs 8000.00 per case during the first 3 months after installation of the equipment and thereafter Rs 10,000/- per case.
7. Out of the amount collected from the patient, IHC shall retain (if it has collected the total fee) or shall be paid by the operator (if it has collected the fee) as follows:
  - a) Rs 6000/- per case during the first 3 months after installation.
  - b) Rs 7500/- per case after the first 3 months after installation.

Where an auxillary procedure is done, the cost of the same shall be borne separately by the patient.

During the location of the equipment at the above locations IHC will be responsible to ensure adequate insurance coverage. The lithotripter taken on hire shall be returned to IHC after the Company gets the latest model lithotripter from Dornier, of Germany.

**Imported equipment**

**LITHOTRIPTER**

Lithotripsy facilities are available at Pramila Urological Centre, which the Company is upgrading by acquiring a new and state-of-the-Art lithotripter from Dornier, a subsidiary of Daimler-Benz of Germany, a market leader in lithotripsy systems, at the cost of Rs 100 lakhs . The Company has obtained necessary import approvals for the Import of Lithotripter and the order has been already placed for the same.

Lithotripter enables Non-Invasive, Non-Surgical removal of kidney stones and involves a relatively a painless procedure.

**Indigenous Machinery**

The Company proposes to acquire a Dialysis unit, Pipeline systems for oxygen and other medical and OT equipment at an estimated cost of Rs 50.33 lakhs. The other medical and OT equipment include suctionpump, Urological Instruments, BPL defibrillator, L&T Under Water Diathermy, Respirator, Pulse Oximeter, Boyle's Basic Vapouriser, Operating Microscope costing Rs.35.57 lakhs.

**LIST OF PURCHASE ORDERS PLACED**

**Indigenous :**

Suppliers Name	Name of the machinery	No of Units	Unit Cost (Rs)	Total Value (Rs)	Purchase order Date	Date Delivery
Indian Oxygen Limited Hyderabad	Pulse Oximeter +Accessories	3	65000	1,95,000	27.3.95	12.5.95
Indian Oxygen Limited Hyderabad	Pipeline Systems	1	78000	78,000	27.3.95	12-5-95
Indian Oxygen Limited Hyderabad	Boyle's basic+ Fluotec+Circle	1	154000	1,54,000	27-3-95	12-5-95

Hyderabad	Absorber					
M/s Shanti & Services Ltd	Airconditioning Systems	3	78193.35	2,34,580.05	27-3-95	May,95
Hyderabad		3	140942.65	4,22,827.95	27-3-95	May,95
M/s Asian Eng Pvt Ltd	Steriliser,Theatr equipment	1	565200	5,65,200	27-3-95	May,95
Hyderabad						
Powerica Ltd	Generating Set (62 Kva)	1	2,80,000	2,80,000	05-4-95	May,95
Hyderabad						
BPL Limited	Defibrillator cum Monitor	1	52,085	52,085	27-3-95	May,95
Hyderabad						
M/s Dio Cath Equip	Haemodialysis Machine	4	4,50,000	18,00,000	27-3-95	May,95
New Delhi						
NASAN(Delhi)	Central Monitor Station	1	1,52,000	1,52,000	20-3-95	June,95
General Communications (Hyderabad)	EPBAX System	1	1,79,000	1,79,000	27-4-95	June,95
Hyderabad						
Vishal Surgicals (Hyderabad)	Medical Equipment	1	4,23,476	4,23,476	05-4-95	June,95
Hyderabad						
Pure Water Systems (Hyderabad)	Water Filtration Plant	1	1,31,633	1,31,633	20-4-95	June,95
Hyderabad						
Medical equipment Trading corp. (Hyderabad)	Suction Mach.	3	1,25,000	3,75,000	27-5-95	June,95

**Imported :**

Suppliers Name	Name of the machinery	No of Units	Unit Cost	Amount* (in lac DM)	PurchaseOrder No & Date	Date Of Delivery
Dornier, Germany	Lithotripter	1	4.35	4.35	Nil dated 01-3-95	4-6 weeksfrom opening of LC

\* Equivalent to Rs.80 lakhs(converted @ Rs 18.39 for 1 DM)

Note: As per terms and conditions of Bank Of Madura L/C will be opened only after the public issue.

The company is yet to place orders for some ancillary items of plant and machinery required for the project. Since these being ancillary items costing about Rs. 20,000,commercial Operations of the Company will not be affected. However Company plans to place the orders for this machinery within a shortwhile.

None of the suppliers of Plant & Machinery are in any way related/Connected to any of the promoter/Directors of the Company.

None of the Directors of the Company are interested in anyway in the firms which are supplying the Plant & Machinery.

**CONSUMABLES**

The super speciality urology hospital requires consumables like Electro Coutry Loops, Electro Hydraulic Lithotripsy Probes, Endo sutures Clips, Laproscopic Disposable Port, ESWL machine electodes, laser prbes, Laser fibre, J guide wires, Straight Guide Wires, Nottingham Dialators, Oximeter Probes spinal needles, inter arterial lines, bandage cloth, surgical spirit, cidex solution, KY Jelly, Hand Gloves, Disposable syringes,Intra-venous sets, Urethral Catheters, Resection Electrodes, Oxygen and Nitous Oxide for Anaesthesia, all of

which are available indigenously and off the shelf. Orders will be placed as and when required and the Company envisages no difficulty in procuring the same.

#### UTILITIES

##### a) POWER :

The power requirement for the existing hospital at Basheerbagh is 62.5 KVA, which the Company is sourcing from Andhra Pradesh State Electricity Board.

The power requirement for the Urology Centre at Secunderabad is 50 KVA each, sanction for which has already been obtained from Andhra Pradesh State Electricity Board. Power has already been installed at Dilsukhnagar. However, the Company made provision for standby power arrangement of 2 DG sets of 50 KVA capacity each.

##### b) WATER :

The requirement of water for the 3 centres is about 500 litres/day and will be met from the municipal source and from the borewell located in the premises and the Company does not foresee any necessity for alternative arrangement for the same.

##### c) HUMAN RESOURCES :

A total of 75 persons are already employed by the Company for the centre at Basheerbagh out of which 56 are the permanent employees. In addition the manpower requirement is 146 for the proposed project. The detailed break-up is given below:

	Existing	Expansion
Company Secretary	-	1
Consultant Doctors	2	4
Senior Residents	4	8
Residents	10	20
Senior Nurses	8	16
Nurses	12	24
Nurses Trainees	12	24
Ward Boys	12	24
Accountant	1	-
Clerks	4	8
Technicians	4	8
Office Boys	4	8
Drivers	2	1
<b>Total</b>	<b>75</b>	<b>146</b>

##### d) EFFLUENT CONTROL AND DISPOSAL :

The Company has made arrangements with the Municipal Corporation of Hyderabad for the disposal of waste everyday. The Company has made an application to A P Pollution Control Board for NOC vide their application Number letter No 22385 dated 24th April 1995.

#### IMPLEMENTATION SCHEDULE

Major Activity date	Commencement Status	Completion	Present
Land & Building	Completed	Completed	
Furniture & Fixtures	April, 1995 *	Completed	Completed

#### Plant & Machinery:

Order Placement	March, 1995	Completed	Completed
Installation	June, 1995	In progress*	
Arrangement for Power	---	Completed	Completed
Arrangement for Water	---	Completed	Completed
Commercial Operations	---	July, 1995	Yet to Commence

Installation of the machinery at 2 centres viz. Dilsukhnagar and Secunderabad is in progress and is expected to complete by the 1st week of August and the commercial operations to commence from mid August, 1995. However commercial operations at Basheerbagh have already commenced.

#### DEPLOYMENT OF FUNDS AS AT 01.04.1995

A Applications of Funds	(Rs in lakhs)
Advance security for	35.16
Business at Basheerbagh	
Medical Equipments	40.00
Preliminary / issue expenses	1.49
Cash & Bank Balances	3.36
<b>TOTAL</b>	<b>130.03</b>

#### B.SOURCES OF FUNDS

Share Capital	85.07
Share Application Money	41.60
Income from Operations	3.36
<b>TOTAL</b>	<b>130.03</b>

#### MARKETING

The Pramila Urological Centre, whose facilities the Company is taking on hire, has already been recognised in medical circles as a Super Speciality Urology Centre offering Comprehensive services with advance technology. Urological cases from all over the country are being referred to Dr. Ramesh Ramayya.

The Company now proposes to expand the activities by offering services in sub-specialities like Lithotripsy, Andrology, Infertility etc. Proposed project includes commencing 2 more centres one each in the fast developing localities of Secunderabad and Dilsukhnagar in Hyderabad taking the service to the door step of the customers.

The Company will be one of the largest hospitals in India offering State Of Art care in Kidney and Urology diseases.

Regular work shop and seminars would be conducted to inform Urologists, Nephrologists, General Surgeons and General Practitioners in the advances of Kidney and Urology Care.

"UROVISION" a journal will be sent monthly to doctors to keep them informed about the progress of the hospital and also informing them about the latest trends in the management of diseases related to kidney and Urological Problems.

#### FUTURE PROJECTIONS:

The viability of Pramila Kidney Hospital Limited has been derived from the inherent advantages of the project for it fulfills

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the long felt need of a speciality hospitals for Kidney and Urology diseases.

The future projections of the Company are based on the past performance of the existing project. Hence in the opinion of the management, the growth level envisaged, is attainable.

The Financial Projections as estimated by the Company are as follows:

	(Rs. Lakhs)		
	1995-96	1996-97	1997-98
Capacity utilisation			
- Basheerbagh (existing)	70%	80%	90%
- Secunderabad & Dilsukhnagar	50%	60%	70%
Sales Turnover	221.76	369.60	425.04
Expenditure	139.00	216.36	237.33
PBDIT	82.76	153.24	187.71
Interest	-	6.37	4.93
Depreciation	12.04	12.04	12.04
Prel/Preop Exp	1.50	1.50	1.50
<b>W/O</b>			
PBT	69.22	133.33	169.24
Tax	11.34	47.13	68.40
PAT	57.88	86.20	100.84
Equity	300.00	300.00	300.00
Dividend(Rs)	30.00	36.00	45.00
Dividend(%)	10	12	15
Reserves	27.88	32.37	138.21
Book Value (Rs)	10.90	12.74	14.60
EPS(Rs)	1.92	2.87	3.36

NOTE : As a matter of abundant caution, attention is drawn to the fact that figures mentioned in the statement above are only indicative and are subject to change

The above projections have been made on the following assumptions:

**1. Capacity Utilisation**

No of days/year

330 days

	Installed Capacity		Capacity Utilisation			
	No	%	1995-96 No	1996-97 %	1997-98 No	%
No Of Beds						
- Basheerbagh Centre	40 beds	28	70	32	80	36
- Secuderabad	40 beds	20	50	24	60	28
- Dilsukhnagar	40 beds	20	50	24	60	28

2. Total Bed days/Year 39600 days(However, No of bed days assumed for the 1st year is 15840 days)

3. Average stay of a patient 5 days

4. Bed Charges/Day Rs 750/-

5. Operation/ Procedure Charges Rs 2500/-

6. Consultation Charges/ patient Rs 100/-

7. Lease Charges/month

Basheerbagh Rs 1.20 lakhs

(with 15% increase after every 36months

Secunderabad Rs 0.40 lakhs

(with 15% increase after every 36months

Dilsukhnagar Rs 0.57lakhs(with 10% after 24 months,15 %

increase after 48 months and 20%

increase after 72 months)

8. Salaries & Wages/monthRs 5.80 lakhs

9. Depreciation has been calculated on straight line basis as perthe Companies Act for the purpose of financial records and Written down value method for the Tax purposes.

**PREVIOUS PUBLIC ISSUES**

The Company has not made any Issue prior to this Issue.

**DETAILS OF LISTED COMPANIES UNDER THE SAME MANAGEMENT**

There are no listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.

**STOCK MARKET DATA:**

As the shares of the Company are yet to be listed on any Stock Exchange, no quotation for the market price of its shares is available.

**OUTSTANDING LITIGATIONS:**

The Company does not have any outstanding litigations/ overdue interest/ default in payments to Financial Institutions and Banks etc.

There has been no violation of provisions of Companies Act by the Issuer Company.

The Company has not violated any of the provisions of listing agreement. Neither the Company nor the Promoter/Director havereceived any showcause notices nor any action has been initiated by SEBI/Stock Echange against the Issuer company.

None of the promoter/Directors have resigned from Company/ partnership firm/other ventures within a period of past one year.

None of the promoters/Directors were signatories to MOA of any other Company nor were they partners in any partnership firm.

There was no settlement by the Promoter/Directors in the past with financial institutions/banks regarding rescheduling/ rehabilitation etc.

**CRIMINAL PROSECUTION:**

No criminal prosecution has been launched against the Company and/or Directors for alleged offences under the Enactments in para (1) of part I of Schedule XIII of the Companies Act, 1956.

**PARTICULARS OF DEFAULT:**

There is no default in meeting statutory dues, institutional dues and towards instrument holders like debentures, fixed deposits and arrears of Cumulative Preference Shares etc.

**MATERIAL DEVELOPMENT:**

There are no material development taken place after the date of the last audited balance sheet which are likely to have an impact on the performance, Operation and prospects of the Company.

**INVESTOR GRIEVANCE HANDLING SYSTEM**

The Company has appointed Karvy Consultants Limited as its Registrars for the issue who will handle the grievances of the investors in coordination with the Company's Secretarial

Department. The average time for redressal of a complaint shall be not be more than 10 days.

## RISK FACTORS

### INTERNAL

1. Company's operations are concentrated only in two specialities i.e., Urology and Nephrology.
2. The Fund requirement and future projections of the Company are not appraised by any financial Institution/ bank and in the absence of any financial stake by any bank/Institution, the deployment of funds raised through the Issue will be entirely at the discretion of management of the Company and its end use cannot be monitored.
3. Company will be operating from leased premises.
4. The Company has not yet received the No Objection Certificate from the Pollution Control Board.
5. The proposed project is totally financed by the equity and any delay in the mobilisation of resources will adversely affect the project and its profitability.
6. The success of a hospital depends to a large extent on the Doctors and its facilities.
7. Working Capital Requirement have not been assessed by the Company's bankers.
8. The Company is yet to place orders for consumables worth about Rs. 4.5 lacs.

### EXTERNAL

1. The company being in the service industry will be subjected to market competition.
2. Government Policy on Kidney transplants can affect the activities of the Company.

## MANAGEMENT PERCEPTION OF THE RISK FACTORS

### INTERNAL

1. Company specialises in Urology and nephrology and plans to develop each sub speciality like Lithotripsy, Andrology, Dialysis, Infertility into a separate speciality. By this Company is actually diversifying the functions

under one head and offering specialised services for each function.

2. The future projections are based upon past performance of Pramila Urological Centre and the management perceives the projections to be realistic and achievable. However the Company is in the process of appointing a qualified Professional/ company Secretary who will be responsible for the Finance Function also.
3. All the 3 centres, one of which is the existing premises of Pramila Urological Centre belonging to the promoter have been taken on 10 year lease; and the management foresees no difficulty for renewals.
4. The Company has applied to Andhra Pradesh Pollution Control Board for a No Objection Certificate vide their letter No 22385 dated 24th April, 1995 and envisages no difficulty in obtaining the same.
6. The proposed project offers comprehensive and specialised services with State-of-Art Technology. The Company has already recruited competent professionals to carry on the operations.
7. Company proposes to fund its entire working capital requirements through equity. Hence its working capital requirements are not assessed by any bank.
8. The hospital would require consumables like hand gloves, surgical spirit, disposable syringes, IV sets, Resection electrodes, Endo suture clips etc, which are available off the shelf. Orders will be placed as when required and the Company envisages no difficulty in procuring the same as and when required.

### EXTERNAL

1. The Company is equipped with State-of-Art equipment and 120 beds dedicated exclusively to Urology, Nephrology and other sub-specialities, feels no difficulty in overcoming competition from other hospitals offering broad based services.
2. Kidney transplants is one of the sub specialities along with many others which the Company is entering into, the Company will not be significantly affected by any policy of the Govt on any one sub-speciality.

## PART II

### I. GENERAL INFORMATION

#### CONSENTS

Consents in writing of the above mentioned Directors, Auditors, Banker to the Company, Bankers to the issue, Advisors to the issue, Lead Managers to the issue, and Registrars to the issue to act in their respective capacities have been filed along with a copy of this Prospectus with the Registrar of the Companies, Andhra Pradesh, Hyderabad as required U/S 60 of the Act and none of them have withdrawn the said consents upto the time of delivery of the copy of this Prospectus for registration with the Registrar of Companies, Andhra Pradesh at Hyderabad.

M/s. V P Kumar & Co, the Company's Auditors, have given their written consent for the inclusion of their report and also for the inclusion of Tax benefits in the form and the context in which it appears in this Prospectus and also of the tax benefits accruing to the Company and to the members of the Company and such consents and report have not been withdrawn upto time of delivery of this Prospectus for registration with the Registrar of Companies, Andhra Pradesh at Hyderabad.

#### CHANGE IN DIRECTORS AND AUDITORS:

##### DIRECTORS

There are no changes in the Board of Directors since its incorporation

##### AUDITORS

There has been no change in company's Auditors since its incorporation.

#### AUTHORITY FOR THE PRESENT ISSUE

The present issue is made pursuant to the special resolution passed by the shareholders, in terms of section 81(1A) of the Companies Act, 1956 at the extraordinary general meeting of the Company held on 14th March, 1995.

#### DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

The Board of Directors of the Company reserves its absolute and unconditional discretion and without assigning any reason the right to reject any application in whole or in part. In case an application is rejected in full, the whole of the application money received will be refunded and where an application is rejected in part, the balance of application money, after adjustment of allotment money, if any, will be refunded to the applicant(s) within 10 weeks, with interest for delay beyond 78 days, if any, as per the Provisions of Section 73 of the Companies' Act, 1956, from the date of closing of the subscription list.

Allotment letters or letters of regret together with refund orders, if any, to allottees and refund cheques or pay orders to non-allottees for the sum above Rs 1500/- will be despatched by registered post and others by ordinary post under certificate of posting at the applicant's sole risk within 10 weeks of closure of the subscription list.

#### DISPOSAL OF APPLICATION MADE BY STOCKINVEST

a) Stockinvest will be cancelled and returned to investors

by the registrars if no allotment is made. The Bank will lift the lien on the account on submission of the same by the applicant(s).

b) In case of allotment/partial allotment, the Registrars to the issue will fill in the amount which would be less than or equal to the amount filled in by the applicant(s) before presenting the Stockinvest to the issuing banker for payment to the extent of allotment. The bank will lift the lien on the balance amount in the applicant(s) account.

#### PROCEDURE AND TIME SCHEDULES FOR ALLOTMENT & ISSUE OF CERTIFICATES REFUND/ALLOTMENT

Refund will be made along with allotment letter/share certificates and/or regret letter by cheque or demand draft drawn on any of the bankers to the issue and will be despatched within 10 weeks from the date of closure of the subscription list by registered post under certificate of posting as per the case to the sole/first applicant's address. Such cheques or Demand Drafts will be payable at par at all centres where applications were accepted. Bank charges, if any, for encashing refund/pay order at any other place shall be borne by the applicant.

In case of joint application, refund/pay order if any, will be made out in the first name and communication will be addressed to the person whose names appears first in the application form.

#### INTEREST ON EXCESS APPLICATION MONEY

Without prejudice to Section 73(2A) of the Companies Act, 1956 payment of interest upto 15% p.a. on the excess application money will be made to applicants as per the provisions of the Companies Act of 1956 and guidelines issued by the Ministry of Finance, Government of India vide Letter No. F/8/6/SE/79 dated 21.07.1983 as amended by Letter No. F/14/2/SE/85 dated 27.09.85. No interest will be paid on Stockinvest.

#### ISSUE OF SHARE CERTIFICATES

The Share Certificate will be despatched by Registered post within three months from the date of allotment in exchange of letter of allotment, if issued.

**COMPANY INFORMATION AND  
THE PUBLIC ISSUE MANAGEMENT TEAM  
REGISTERED OFFICE AND FACTORY**

**PRAMILA KIDNEY HOSPITALS LIMITED**

5-9-34/2, Basheerbagh  
Hyderabad - 500 029  
Tel# 230944, 234903

**LEAD MANAGERS TO THE ISSUE**

**PENNA PATERSON SECURITIES LIMITED**

Merchant Banking Division  
Chikoti Gardens, Begumpet  
HYDERABAD - 500 016  
Tel# 811472, 811473, 811474.  
Fax # 811090

**BANK OF MADURA LIMITED**

Regional office  
A2/1 Chandralok Complex, S.D. Road,  
SECUNDERABAD  
Tel # fax # 840425

**COMPANY SECRETARY**

The Company at present does not have a company Secretary,  
However it is in the process of recruiting one.

**REGISTRARS TO THE ISSUE**

**KARVY CONSULTANTS LIMITED**

6-1-68/2, Saifabad  
HYDERABAD- 500 004

**AUDITORS**

**V.P.KUMAR & Co**  
3198/1, SANGTARASHAN  
Pahargunj  
NEW DELHI - 110055

**BANKERS TO THE COMPANY**

**BANK OF MADURA LIMITED**

5-5-103 to 108  
Hill Street, Rani Gunj  
SECUNDERABAD - 500 003

**BANKERS TO THE ISSUE**

**BANK OF MADURA LIMITED**

5-5-103 to 108  
Hill Street, Ranigunj  
SECUNDERABAD - 500 003

**THE LAKSHMI VILAS BANK LIMITED**

5-1-716/1, Bank Street,  
HYDERABAD - 500 195.

**STATE BANK OF INDIA**

NEW ISSUE DIVISION,  
Main Branch,  
Bank Street, Koti,  
HYDERABAD - 500 001.

**BROKERS TO THE ISSUE**

**ALL THE MEMBERS OF RECOGNISED STOCK  
EXCHANGE ARE AUTHORISED TO ACT AS  
BROKERS TO THIS ISSUE AND ARE ENTITLED FOR  
BROKERAGE OF 1.5% .**

## B. FINANCIAL INFORMATION

## AUDITORS REPORT

V.P. KUMAR & CO.  
Chartered Accountants

3198/1, Sangtarashan  
D.S. Gupta Raod  
Pahar Ganj  
NEW DELHI - 110 055

TO

The Board of Directors

**Pramila Kidney Hospitals Ltd.**

5-9-34/2, New MLA Quarters Lane

Basheerbagh

HYDERABAD.

Dear Sirs,

We have examined and found correct the Books of Accounts of Pramila Kidney Hospitals Limited, the Statement of Account for the period ended 31st March, 1995 prepared for the purpose of Prospectus and approved by the Board of Directors of the Company. In accordance with requirements of the paragraph 8 (1) of part II of Schedule II of the Companies Act, 1956, we report that Assets, Liabilities and Dividends of the Company are as set hereunder.

## A. PROFITS

Subject to the Notes appearing hereunder and after making such adjustments as are in our opinion appropriate, the profits of the Company for Financial Years/period from 15th Feb., 1995 to 31st March, 1995 are as follows:

	31.3.1995
	(Rs. in lakhs)
<b>INCOME</b>	
Prof. Receipts	3.58
<b>EXPENDITURE</b>	
Stores Consumed	0.20
Administrative Expenses	0.43
Other Expenses	0.10
Profit/Loss before Depreciation	2.85
<b>DEPRECIATION</b>	-
Profit/Loss for the period	2.85
PROVISION FOR TAXATION	-
PROFIT AFTER TAX	2.85
PROFIT / LOSS C/F TO BALANCE SHEET	2.85

## B) ASSETS AND LIABILITIES

Subject to the Notes appearing hereunder and after making successive regroupings and adjustment, in our opinion, appropriated the assets and liabilities of the Company as at 31st March, 1995 are as follows:

## STATEMENT OF ASSETS AND LIABILITIES

PARTICULAR	YEAR
31.3.1995	(Rs in Lacs)
<b>ASSETS</b>	
Fixed Assets	
Gross Block	-
Less : Depreciation	-
Net Block	-
<b>INVESTMENTS, CURRENT ASSETS, LOANS &amp; ADVANCES</b>	
Cash Bank	
Balance	3.07
Loan & Advance	84.96
Less : Current Liabilities and Provisions	-
Net Current Assets	88.03



**LESS : LOAN FUNDS**

Secured

Loans -	
Unsecured Loans	-
Balance	88.03
Miscellaneous Expenditure	1.49
Total Assets	89.52
Represented by Share Capital	85.07
Share Application Money	1.60
Reserves and Surplus	2.85
<b>T O T A L :</b>	<u>89.52</u>

**NOTES :**

- The Company was incorporated on 15.2.1995 and received the Certificate of Commencement of Business on 14.3.1995. The Accounts for the period one and half month from 15.2.1995 to 31.3.1995.
- SHARE CAPITAL**
  - The Authorised Capital as at 31st March, 1995 was Rs.3,50,00,000 (Rupees three crores and fifty lakhs only) divided into 35,00,000 equity shares of Rs.10/- each.
  - The Company has issued and allotted 8,50,700 equity shares of Rs.10/- each fully paid-up.
  - Expenditure for the one year 1993-94 is Rs.Nil.

**SIGNIFICANT ACCOUNTING POLICIES****1. GENERAL**

The Accounts are prepared as per historic cost basis and the accounting principles of a going concern.

**2. ACCOUNTING METHOD**

The accounts are prepared as per Mercantile Accounting Method.

**3. INVENTORY VALUATION**

- Consumable Stores are valued at lower cost of realisable value.

**4. PROFESSIONAL RECEIPTS**

Professional Receipts are accounted on the basis of receipts.

**DIVIDEND**

The Company has not paid any dividend till date.

for **V.P. KUMAR & CO.**

Chartered Accountants

Sd/-

**(VIPIN AGGARWAL)**

Partner

Place : New Delhi

Date : 4th April, 1995

**C. STATUTORY AND OTHER INFORMATION****MINIMUM SUBSCRIPTION**

The minimum subscription which in the opinion of the Board must be raised through the present Issue of Equity Shares in order to provide for the sums required is 6,88,000 shares being 90% of the aggregate issue of 7,65,000 shares in terms of this Prospectus. The Board will proceed to allot the Shares on receipt of the application money due thereon.

If the Company does not receive minimum subscription of 90% of the Issue, the Company shall forthwith refund the entire subscription amount received. For delay beyond 78 days, if any, in refund of such subscription, Company shall pay interest as per Section 73 of Companies Act, 1956.

**EXPENSES OF THE ISSUE**

The expenses of the present issue including brokerage, fees to the Lead Managers to the issue and Registrars to the issue, stamp duty, printing, distribution and publication fees, registration charges, legal and professional charges, bank charges, auditor's fees and other miscellaneous expenses are estimated at Rs.10 lakhs and will be met out of the proceeds of the issue.

**FEES PAYABLE TO THE MANAGERS TO THE ISSUE**

The fees payable to the Lead Managers to the Issue will be Rs.3,50,000 (apart from out-of-pocket expenses payable as actuals). And fees payable for Bank of Madura Limited be Rs. 38,250/- being 0.5% of the issue amount.

**FEES PAYABLE TO REGISTRARS TO THE ISSUE**

The fee payable to the Registrars to the Issue will be as follows:

Per allottee	:	Rs.4.00 per application.
Per non-allottee	:	Rs.3.00 per application.
applications accompanied with the stockinvest*	:	Rs.4.00 per application

\*Subject to minimum of Rs. 1.00 lac.

This and other terms are set out in their letter addressed to the Company, a copy of which is kept open for inspection at the Registered Office of the Company.

**BROKERAGE**

Brokerage will be paid by the Company at the rate of 1.5% on the issue price of the equity shares offered to the public on the basis of the allotment made against the applications bearing the stamp of the member of any recognised Stock Exchange in India in the brokers column in the application procured by them provided the respective form of application bear their respective stamps in the Broker's column. No Brokerage shall be payable on the shares which will be subscribed to by the Employees/Indian working Directors/Workers of the Company out of the shares reserved for them for allotment on preferential basis.

**PREVIOUS ISSUE FOR CASH**

The Company has not made any Issue till date.

**PREVIOUS COMMISSION AND BROKERAGE**

Save and except for the brokerage payable in terms of this

Prospectus, no sums have been paid since the incorporation by the Company or are payable as commission or brokerage for subscribing or agreeing to subscribe to or for procuring or agreeing to procure subscription for any shares.

**ISSUE OTHERWISE THAN FOR CASH**

# 4,00,000 Shares allotted to Dr.Ramesh Ramayya in consideration otherwise than for cash towards machinery purchased from Pramila Urological Centre where he is the sole proprietor.

**CLASSES OF SHARES****DEBENTURES AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

No debentures or redeemable preference shares or other like instruments have been issued by the Company since its incorporation.

**OPTION TO SUBSCRIBE**

Except as otherwise stated in this Prospectus, the Company has neither entered into nor does it at present propose to enter into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to given to any person to subscribe to any shares of the Company.

**REVALUATION OF ASSETS**

The Company has not revalued its assets since incorporation.

**CAPITALISATION OF RESERVES OR PROFITS**

No amount has been capitalised out of reserves or profits since incorporation.

**PURCHASE OF PROPERTY**

Save in respect of the property purchased or acquired or proposed to be purchased or acquired under the contracts referred to herein below under the heading "Documents for inspection" there is no property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid, wholly or partly out of the proceeds of the present issue or the purchase or acquisition of which has not been completed on the date of issue of this Prospectus other than property :

- the contract for the purchase or acquisition whereof was entered into in the ordinary course of the Company's business, the contract not being made in contemplation of the issue in consequence of the contract.
- in respect of which the amount of the purchase money is not material.

Except as stated in this Prospectus the Company has not purchased any property in which any of its promoters or Directors had or have any direct or indirect interest or in respect of any payment made thereof.

**PAYMENT OR BENEFITS TO THE PROMOTERS AND THE OFFICERS OF THE COMPANY**

Save as otherwise stated in this Prospectus and except for the normal remuneration and/or reimbursement for services as Directors, Officers or Employees of the Company, no payments or benefits have been paid or given to the

Company's promoters or Officers nor are intended to be paid or given.

### PRESENT MANAGING DIRECTOR AND HIS REMUNERATION

Dr. Gurijala Ramesh Ramayya was appointed as Managing Director of the Company on 1st April, 1995 for an initial period of 5 years as per Schedule XIII to the Companies Act, 1956. The terms and conditions of his appointment as Managing Director are as below:

He shall be paid a salary of Rs.20,000 (Twenty Thousand Only) per month.

The to and fro travelling expenses incurred by the Managing Director, his wife, and Minor Children while proceeding on leave to his home District in India shall be reimbursed.

The actual travelling and entertainment expenses and approved club membership fees reasonably incurred by the M.D., In or about the business of the Company be reimbursed.

The actual hospital and medical expenses which have been incurred by the M.D., for himself, his wife and his minor children be reimbursed provided that such expenses during one year shall not exceed one month salary, and over a period of 3 years 3 months salary.

The M.D., shall be entitled to the use of Motor Car of the Company. The Company shall provide the M.D., with rent free furnished accommodation and shall pay electrical and water charges. He shall be entitled to use the Company's telephone at his residence, the charges of which shall be borne by the Company.

### MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

10. The Certificate to title to shares shall be issued under the seal of the Company.
11. Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name or, if any member so wishes, to several certificates each for one or more of such shares. Unless the Conditions of issue of any shares otherwise provide, the Company shall either within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance of renunciation or in case of issue of bonus shares) or within one month of receipt of the application for registration of the transfer, sub division, consolidation, renewal or exchange of any of its shares, as the case may be, complete, and have ready for delivery the certificates of such shares. Every certificate of shares, shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the Companies (issue of Share Certificate) Rules, 1960.
12. (1) If any certificate of any share or shares be surrendered to the Company for sub-division or consolidation or if any certificate be defaced, torn or old, decrepit, worn-out or where the cages on the reverse for recording transfer have been duly utilise, then upon surrender thereof to the Company, the Board, may

order the same to be cancelled and may issue new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof, shall be given to party entitled to the shares to which such lost or destroyed certificate relates. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued in lieu of a share certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed, the word "duplicate" shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.

- (2) No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for sub-division of renounceable letters of rights; for issue of new certificate in replacement of those which are old, decrept or worn out, or where the cages on the reverse for recording transfers have been fully utilised. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being for issue of new certificate in replacement of those that are torn, defaced, lost or destroyed, and for sub-division and consolidation of share and debenture certificates and for sub-division of letter of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

### CALLS

14. The Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereto made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.
15. That the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.
16. Not less than 30 (thirty) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
17. If by the terms of issue of any share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by instalments at fixed times, every such amount of issue price or instalment thereof shall be payable as if it was a call duly made by the Directors and of which due notice had been given and

all the provisions herein contained in respect of calls shall apply to such amount or issue price or instalments accordingly.

18. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 12 (Twelve) per cent per annum, from the day appointed for the payment thereof to the actual payment or at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part.

**BORROWING POWERS**

52. The Board may from time to time and at its discretion, subject to the provisions of Section 58A, 292 and 293 of the Act, and Regulations made thereunder and Directions issued by the RBI raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums or sum of money for the purpose of the Company.
53. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or part of the property of the Company (both present and future), including its uncalled capital for the time being, provide that debentures with the rights to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.
54. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
55. Save as provided in Section 108 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures.
56. If the Board refuses to register the transfer of any debentures, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

**DIRECTORS GENERAL PROVISIONS**

78. The number of Directors shall not be less than three and not more than twelve.
79. The following shall be the First Directors of the Company:
1. Dr. Gurijala Ramesh Ramayya
  2. Dr. Gurijala Pradeep Ramayya

3. Smt. Pramila Devi
4. Dr. Gurijala Patabhi Ramayya

80. The Directors shall have power, at any time and from time to time, to appoint any person as Director as an addition to the Board but so that the Total number of Directors shall not at any time exceeding the maximum number fixed by the Articles. Any director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re-election.
81. A Director shall not required to hold any share qualification.
82. Subject to provisions of the Act, the Directors shall be entitled to receive in each year a Commission @ 1% (One per cent) of the net profits of the Company, such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Act, and such commission shall be divided among the Directors in such proportion and manner as may be determined by them. The Directors may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Director who for the time being is resident out of the place at which any Meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for any of the purposes of the Company then, subject to Sections 198, 309, 310 and 314 of the Act, the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition or in substitution for for any other remuneration to which he may be entitled to.
- 82 A. The sitting fees payable to a Director for attending a meeting of the Board or a Committee of the Board or a general meeting shall be regulated as per the provisions of Section 310 of the Act and Schedule XIII thereof.
83. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number above fixed, the Directors shall not except for the purpose of filling vacancies or of summoning as General Meeting act so long as the number is below the minimum.
84. Subject to the provisions of Sections 297, 299, 309 and 314 of the Act, the Directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with a relative of such Directors or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any other partner or with a private company in which such Director is a member or director interested be avoided, nor shall any Director or otherwise

so contracting or being such members or so interested be liable to account to the company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

#### APPOINTMENT OF DIRECTORS

85. The Company in General Meeting may, subject to the provision of these Articles and the Act, at any time elect any person to be a Director and may, from time to time, increase or reduce the number of directors.
- 85 A. Any member of the company shall be competent to propose the name of any person who is otherwise not disqualified as being a director of a company, for the office of director in the company and shall accordingly give a notice of at least 14 days in writing along with a deposit of Rs.500/- (Rupees Five Hundred) or such sum as may for the time being be prescribed by the Act, which shall be refunded only after the person proposed to be appointed as director is elected.
86. If any Director appointed by the Company in general meeting vacates office as a Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 284 of the Act.
87. The Company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation, firm or person shall be entitled, from time to time to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the company.
87. (a) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI). The Industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC), Unit Trust of India (UTI) and other Financial Institutions of Central or State Governments or to any other Corporation or Institution or to any other Financing Company or other Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIC, UTI, or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, and LIC, GIC, UTI or other Finance Corporation or Credit Corporation or any other financing Company or body is hereinafter in these Articles referred to as "the Corporation") continue to hold shares in the company as a result of underwriting or direct subscription, the Corporation shall have a right to appoint from time to time any person or persons as a director or directors, whole time or non-whole time, (which director or directors is/are hereinafter referred to as nominee director/s") on the Company and to remove from such office any person or persons so appointed and to appoint any persons in his or their Place/s.
- (b) The Board of directors of the company shall have no power to remove from office the nominee director/s. At the option of the Corporation, such nominee director/s shall not be liable to retirement by rotation of directors. Subject as aforesaid, the nominee director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the Company.
- (c) The nominee director/s so appointed shall hold the said office only so long as any moneys remain owing by the company to the Corporation or as a result of underwriting or direct subscription and the nominee director/s so appointed in exercise of the said power shall ipso-facto vacate such office immediately after the moneys owing by the company to the Corporation are paid off or the Corporation ceasing to hold shares in the Company.
- (d) The nominee director/s appointed under this Article shall be entitled to receive all notices of and attend all general meetings, board meetings and of the meetings of the committee of which the nominee director/s is/are member/s and also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
- (e) The Company shall pay to the nominee director/s sitting fees and expenses which the other directors of the Company are entitled to, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the company, the fees, commission, moneys and remuneration in relation to such nominee director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such nominee director/s in connection with their appointment or directorship shall also be paid or reimbursed by the company to the Corporation as the case may be to such nominee director/s. Provided that if any such nominee director/s is an officer of the Corporation the sitting fees, in relation to such nominee director/s shall also accrue to Corporation and the same shall accordingly be paid by the company directly to the Corporation. Provided also that in the event of the nominee director/s being appointed as wholetime director/s such nominee directors shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a wholetime director, in the management of the affairs of the Company. Such nominee director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.
89. Subject to the provisions of section 313 of the Act, the Board may appoint any person to act as an alternate director for a director during the latter's absence for a

period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate director; shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly, but he shall ipso-facto vacate office if and when the absent director returns to State in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

#### POWERS OF DIRECTORS

102. Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and to do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents, from time to time, made by the Company in General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
103. Without prejudice to the general powers conferred by the preceding article the Directors may, from time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorised and discretions for the time being vested in the Directors.
104. The Directors may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
105. All deeds, agreements and documents and all cheques, promissory notes drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such persons (including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Directors shall, from time to time, by resolution determine.
106. The Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad, and may for this purpose (without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration and delegate to them such powers as may be deemed requisite of expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by, such persons as the Directors shall, from time to time by writing under the common seal, appoint. The company may also exercise the powers of keeping Foreign Registers. Such regulations not being in consistent with the provisions of Sections 157 and 158 of the Act, the Board may, from time to time, make such provisions as it may think fit relating thereto and may comply with the requirements of any local law.
107. A Manager or secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions as may think fit, and any Manager or

Secretary appointed may be removed by the Directors. A Director may be appointed as Manager or Secretary, subject to Sections 314, 197A, 383A, 387 and 388 of the Act.

108. A provision of the Act or these regulations requiring or authorising a thing to be done by a director, manager or secretary shall not be satisfied by its being done by the same person acting both as director and as, or in place of the manager or secretary.

#### INTEREST OF DIRECTORS

No Director is interested or concerned in the present issue of equity shares except so far as

- he/she may be issued Equity shares out of the said issue in case he/she decided to subscribe thereto
- Dr. Ramesh Ramayya, the Managing Director is interested to the extent of monthly lease rentals and relevant advance payable in respect of lease agreement for buildings at Basheerbagh.
- Dr. Ramesh Ramayya is interested in respect to the purchase of machinery from Pramila Urological Centre, where Dr. Ramesh Ramayya is the sole proprietor in lieu of 4,00,000 shares of Rs 10/- for cash at par amounting to Rs 40 lakhs.

#### MANAGING DIRECTORS

109. Subject to the provisions of Sections 197A, 269, 316 and 317 and Schedule XIII of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.
110. Subject to the provisions of Section 255 of the Act and Article 90(4) change hereof, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but he shall be counted for ascertaining the number of Directors to retire (Subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause.
111. Subject to the provisions of Sections 198, 309, 310, 311 and Schedule XIII of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the company under the Articles, receive such additional remunerations as may, from time to time, as sanctioned by the company.
112. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Sections 292 and 293 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presently by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit, and the Board

may confer such powers either collaterally with, or to the exclusion of and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

#### SEAL

114. The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Directors or a Committee of the Directors previously given and one Director at least shall sign every instrument to which the seal affixed provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

#### DIVIDENDS

115. Subject to Rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company, from time to time, determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the Shares provided that unless the Board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid. Provided always that Subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall (unless the Board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits.

116. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may, subject to the provisions of Section 205 of the Act, fix the time for payment.

117. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

118. No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.

119. The declaration of the Directors as to the amount of the net profits in the audited annual accounts of the Company for any year shall be conclusive.

120. The Directors may, from time to time, pay to the members such interim dividends as in their judgement in position of the Company justifies.

121. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to Section 205 A of the Act.

122. A transfer of shares shall not pass the rights to any

dividend declared thereon before the registration of the transfer.

123. Subject to Section 205 A of the Act, the Directors may retain the dividends payable upon shares in respect of which any person is under the transmission Article entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.

124. Any one of the several persons who are registered as jointholders of any share may give effectual receipts of all dividend payments on account of dividends in respect of such shares.

125. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such person and such address and the member or person entitled or such joint-holders as the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such jointholders, as the case may be, may direct.

126. The payment of every cheque or warrant sent under the provisions of the last preceding Article shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.

126 A. Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with Sections 205A and 205B of the Companies Act, 1956 and rules made thereunder.

126 B. No unclaimed dividend shall be forfeited by the Board and the Company shall comply with the provisions of Section 205A of the Companies Act, 1956 and rules made thereunder in respect of such dividend.

#### WINDINGUP

13 If the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them

respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

140. In the event of Company being wound up, whether voluntarily or otherwise the liquidators, may with the sanction of Special Resolution divide amongst the contributories, in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the Liquidators, with like sanction shall think fit.

#### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts and agreements referred to in paragraph 'A' below (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before the date of this Prospectus), which are or may be deemed to be material have been entered into by an on behalf of the Company. Copies of these contracts together with copies of the documents referred to in paragraph 'B' below have been delivered to the Registrar of Companies, Andhra Pradesh, at Hyderabad, for registration and may be inspected at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day until the closing of the Subscription List.

#### **A) MATERIAL CONTRACTS**

1. Copies of Memoranda of Understanding entered into by the Company with the Lead Managers to the issue.
2. Letter from Kary Consultants Limited, offering their services as Registrars to the issue and Company's Letter of Acceptance dated 14th August, 1995.
3. Letter No RM GL 08/95-96 dated May 2, 1995 from BANK OF MADURA LIMITED sanctioning Deferred payment Guarantee facility to the Company.
4. Purchase Orders placed with the suppliers of Machinery.
5. Lease Agreement with Pramila Urological Centre
6. Lease Agreement with Dr. Surinder Reddy for Dilsukhnagar Centre.
7. Lease Agreement with Dr. Jaswant Rao & Associates for Secunderabad centre.

#### **B) DOCUMENTS**

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation dated 15 February, 1995.
3. Annual General Meeting Resolution dated 14th March, 1995, appointing the Managing Director.
4. Auditor's Report for the period ended 31st March, 1995.
5. Certificate dated 18-3-1995, from the Auditors certifying the tax benefits to the Company and its members.
6. Consents from the Directors, Lead Managers, Auditors, Bankers to the Company, Bankers to the issue, Registrars to the Issue and Advisors to the Issue referred to in this Prospectus to act in their respective capacities.
7. Copy of the Powers of Attorney executed by the one of the Directors of the Company authorising Dr. Ramesh Ramayya for signing and making corrections in Prospectus.
8. Copies of initial listing applications made to Delhi and Hyderabad Stock Exchanges.
9. Application made to Andhra Pradesh Pollution Control Board vide their letter No.No 22385 dated 24th April 1995.
10. Sanction letters for Power connection from APSEB.
11. Certificate of valuation from chartered engineer on Plant & Machinery acquired from 'PUC'
12. Acknowledgement card no.1(26)/95051/95/2223 dated 11th August, 1995 of SEBI.

#### **PART III**

#### **DECLARATION**

We, the Directors, hereby declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 and rules thereunder:-

**Signed by Directors**

**Dr. G.P.Ramayya \***

**Dr.Ramesh Ramayya**

**Dr.Pradeep Ramayya\***

**Smt.G.Pramila Devi.\***

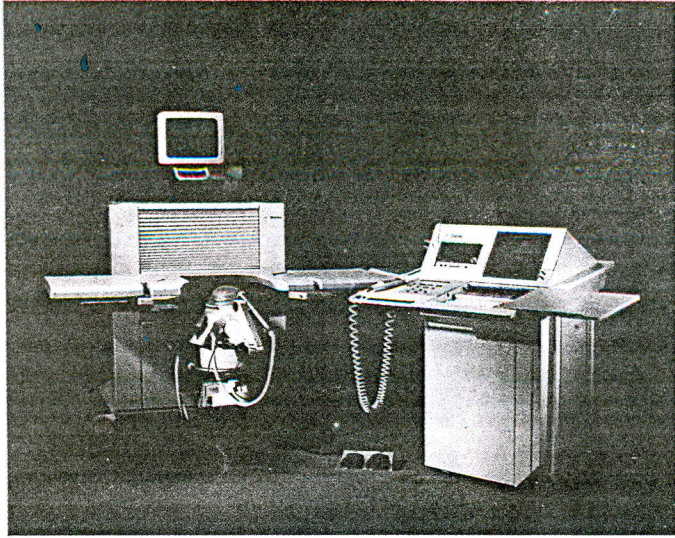
(By his/her duly constituted Attorney Dr.Ramesh Ramayya)

**Place : Hyderabad**

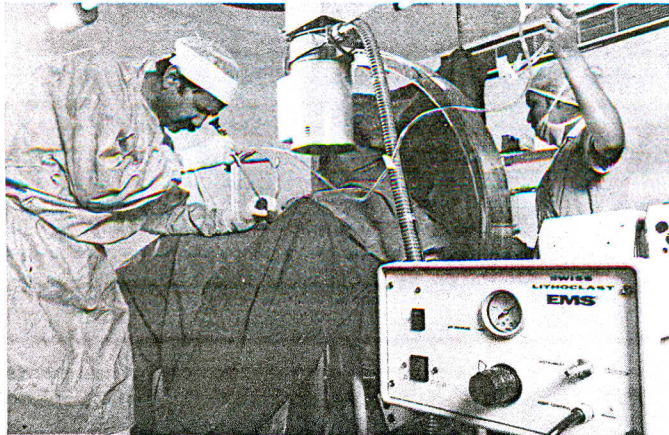
**Date : 21st August 1995**



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**ADVISORS TO THE ISSUE**  
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1003, Arunachal,  
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New Delhi - 110 001.