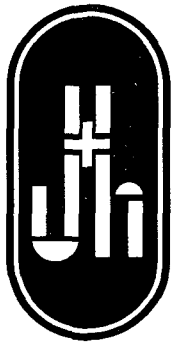


**Twentieth Annual Report
2008-2009**



**Jaipur
Hospital**

**A UNIT OF
SHARMA EAST INDIA HOSPITALS
& MEDICAL RESEARCH LIMITED**

Contents

Board of Directors	1
Notice	2
Director's Report	6
Management's Discussion and Analysis	9
Corporate Governance Report	12
Auditor's Report	20
Balance Sheet	24
Profit and Loss Account	25
Schedules	26
Notes to accounts	34
Cash Flow Statement	40
Balance Sheet Abstract	42

BOARD OF DIRECTORS

CHAIRMAN

MANAGING DIRECTOR

DIRECTORS

AUDITORS

**COMPANY SECRETARY
BANKERS**

REGISTERED OFFICE

SHRI GANPAT RAI SHARMA

DR. SHAILENDRA KUMAR SHARMA

MRS. MAYA SHARAM

SHRI KARAN SHARMA

MRS. MADHULIKA SHARMA

SHRI MONIKA SHARMA

SHRI SUBHASH JAIN

SHRI RAJESH SHARMA

SHRI J.N. PATHAK

DR. ASHOK AGARWAL

**M/S. SHARMA BHURAT & ASSOCIATES
CHARTERED ACCOUNTANTS
JAIPUR.**

ANUPRIYA SAXENA

PNB, SBBJ & SBI BANK

JAIPUR HOSPITAL

LAL KOTHI, NEAR S.M.S. STADIUM

TONK ROAD, JAIPUR-302 015

**PHONE : 2742557, 2742619, 2742266,
2740936, 2741465**

TWENTIETH ANNUAL GENERAL MEETING

TUESDAY THE 29TH SEPTEMBER, 2009

AT SHARMA AGRICULTURE FARM

TAKIA KI CHOWKI, KALWAD ROAD,

JHOTWARA, JAIPUR

AT 3.00 P.M.

NOTICE :

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of **Sharma East India Hospitals & Medical Research Limited** will be held as schedule below :

DATE : 29TH SEPTEMBER, 2009

DAY : TUESDAY

TIME : 3.00 P.M.

PLACE : SHARMA AGRICULTURE FARM, TAKIA KI CHOWKI, KALWAD ROAD, JHOTWARA, JAIPUR,

To transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Dr. Ashok Agarwal, who retires by rotation and is eligible, for reappointment.
3. To appoint a Director in place of Sh. J.N. Pathak, who retires by rotation and is eligible, for reappointment.
4. To appoint Gopal Sharma & Company, Chartered Accountants as Auditors of the company in place of retiring auditors M/s Sharma Bhurat & Associates, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors fix their remuneration.

"RESOLVED THAT M/s Gopal Sharma & Company, Chartered Accountants, H-1, Chitrangan Marg, C-Scheme, Jaipur be and are hereby appointed Auditors of the Company to hold office the Conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on Such remuneration as shall be fixed by the Board of Directors of the Company in place of retiring auditors M/s Sharma Bhurat & Associates, who have not offered themselves for re-appointment."

SPECIAL BUSINESS :

1. To Consider and, if thought fit to pass, with or without modifications the following Resolution as an ordinary Resolution

Increase in borrowing powers of the company :

"RESOLVED THAT the consent of the company be and is hereby accorded to the board of Directors of the Company (hereinafter referred to as "the Board", Which term shall include any committee constituted by the Board or any person & authorised by the Board to exercise the power conferred on the board by this resolution) in terms of Section 293 (I) (d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof), to borrow, for the purpose of the Company's business, any sum or sums

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

of money from time to time at its discretion in accordance with the Memorandum and Article of Association of the Company notwithstanding that sum or sums of money together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from time to time from the Company's Banker in the ordinary course of business) may exceed the aggregate of all sums borrowed by the Board from time to time and remaining outstanding shall not exceed, at any point to time, Rs 20 Crores (Rupees Twenty Crores only) over and above the aggregate of the paid up capital and free reserves of the Company.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate and finalize all the terms and conditions of all such moneys to be borrowed from time to time as to interest, repayment, securities etc. as it may consider fit in the interest of the Company and to execute all agreements, deeds, undertakings, etc. and to do all such acts, deeds, matters, and things as it may, in its absolute discretion deem fit, necessary, desirable or expedient for giving effect to this resolution,"

BY ORDER OF THE BOARD

DATE : 27TH JULY, 2009

Registered Office :

Jaipur Hospital
Lal Kothi, Near S. M. S. Stadium
Tonk Road, Jaipur-302015

COMPANY SECRETARY

NOTES :

1. **A Member Entitled to Attend and Vote is Entitled to Appoint a proxy to Attend and Vote Instead of Himself and the Proxy need not be a Member of the Company.**
2. **The Instrument Appointing A Proxy must be Deposited at the Company's Registered office not less than 48 Hours before the Commencement of the Meeting.**
3. The Register of Members and Share Transfer Books will remain closed from 22nd September, 2009 to 29th September, 2009 both days inclusive.
4. Members who hold shares in dematerialized form are requested to bring their CLIENT ID & DP ID Number for easy identification at the meeting.
5. Members are requested to lodge the transfer, transmission of shares at the registered office or to the Registrar & Transfer Agent M/s Beetal Financial & Computer Services P. Ltd., Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062 and to inform any change in their address immediately so as to enable the Company to do future communications at their correct address.
6. Shareholders are requested to please bring their attendance slips together with their copies of Annual report at the meeting.
7. At the ensuing AGM, Dr. Ashok Agarwal & Shri J.N. Pathak shall retire by rotation and being eligible for reappointment and offer themselves for re-appointment.
8. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act. 1956 in respect of the business, under item No. 4 under the Head ordinary Business.

EXPLANATORY STATEMENT :

The Company's current Auditors M/s Sharma Bhurat & Associates has given notice to the company about their unwillingness to be re-appointed as Statutory Auditors of the Company in next Annual General Meeting.

A proposal has been received of M/s Gopal Sharma & Associates Chartered Accountants, Jaipur for appointment as Auditors of the Company to conduct the statutory audit from the ensuing Annual General Meeting subject to the approval of the Shareholders. A certificate has been received from them to be the effect that their appointment if made, will be within the prescribed limits u/s 224 (1B) of the Companies Act, 1956.

One of the partners of M/s Gopal Sharma & Company is Shri Ashwani Sharma, who is son of Shri Ganpat Rai Sharma, Chairman of the Company and brother of Dr. Shailendra Kumar Sharma, Managing Director of the Company, Husband of Smt. Madulika Sharma and in laws of Smt. Maya Sharma, Smt. Monika Sharma and Shri Karan Sharma.

Except as above mentioned, none of the other directors of the Company is in any way concerned or interested in the said resolution.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

9. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business under Item No. I under the Head Special Business :

EXPLANATORY STATEMENT :

As per section 293 (1) (d) of the Companies Act, 1956 borrowing (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by Board beyond the aggregate of the paid up capital of the Company and its free reserves requires approval, from the Shareholders of the Company. With a view to meet the requirements of the Company would be required funds from time to time by the way of Loans. Having regard to the proposal seeking Member's approval Board is of the view that the limit of aggregate borrowing will be Twenty Crores. The use of the increased borrowing limit will be made depending upon the business exigencies and accordance with sound financial policies.

The Directors recommends the Resolution for member's approval

None of the Directors is any way concerned or interested in this resolution proposed; to be passed except he is Directors of the Company.

PLACE : Jaipur

DATE : 27TH JULY, 2009

Registered Office :

Jaipur Hospital

Lal Kothi, Near S. M. S. Stadium

Tonk Road, Jaipur-302015

BY ORDER OF THE BOARD

COMPANY SECRETARY

DIRECTOR'S REPORT

To

TheMembers,

Your Directors are delighted in presenting the Twentieth Annual Report on the business and operations of your company together with Audited Accounts and Cash Flow Statement for the year ended on 31st March, 2009.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March 2009 are summarized below :

	(Rs. in Lacs) (Rs. in Lacs)	
	<u>For the year ended on</u>	
	<u>2008-2009</u>	<u>2007-2008</u>
Professional Receipts & Other Income	747.95	535.84
Profit before Interest,		
Depreciation & Tax	169.13	110.04
Less : Interest	<u>91.33</u>	<u>50.74</u>
Operating Profit	77.80	59.30
Less : Depreciation	<u>71.61</u>	<u>48.16</u>
Net Profit before Tax	6.19	11.14
Less : Provision for Taxation:		
Current Tax	2.37	3.40
Deferred Tax(Net)	<u>4.18</u>	<u>(4.33)</u>
Net Profit after Tax	<u>(0.36)</u>	12.07
Add : Profit brought-forward from Previous Year.	<u>35.15</u>	<u>23.08</u>
Surplus carried forward to Balance Sheet	<u>34.79</u>	<u>35.15</u>

2. REVIEW OF OPERATION :

During the year under review, your company has registered an overall increase of 40% in the professional and other receipts i.e. Rs. 747.95 Lacs in comparison to Rs. 535.84 Lacs in the previous year. In spite of the stiff competition in the medical industry affecting the operations of your Company, the Company has performed satisfactory performance by maintaining almost same profit level of the previous year before Interest, Depreciation and Taxes. Further, your Company is continuously making efforts to enhance the operations and also trying to hold its grip over upcoming opportunities in Medical & Health Industry.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

3. DIVIDEND:

In view of marginal funds, the Board of Directors does not recommend payment of dividend for the year under review.

4. FUTURE PROSPECTS:

During the year under review the hospital unit re-equipped with all latest facilities with available high-tech equipments and expertise of the all the specialties and maintained high status in the line. In addition your company has successfully started Fourth batch of Physiotherapy College, third batch of B.Sc Nursing College through a trust having same management, due to this your hospital will get highly qualified Nursing Staff. Your company has started a complete cardiac department through JAIPUR HEART INSTITUTE.

5. FIXED DEPOSITS:

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

6. CORPORATE GOVERNANCE:

The Company has implemented the Corporate Governance requirements. Management Discussion and analysis and a report on compliance of Corporate Governance is enclosed as Annexures to Director's Report.

7. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Dr. Ashok Agarwal and Shri J.N Pathak, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 274 (1) (g) of the Companies Act, 1956

8. DIRECTOR'S RESPONSIBILITY STATEMENT U/S 217(2AA):

The Board of Directors Report :

- (i) That in the preparation of Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures.
- (ii) The directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the Annual Accounts on a going concern basis.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO :

Since the Company is engaged in serving activities and has no activity pertaining to manufacturing hence furnishing of details pertaining to Conservation of Energy and Technology Absorption are not applicable as required under section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988. There were no Foreign exchange earnings and outgoing during the year.

10. AUDITORS AND AUDITOR'S REPORT :

M/s Sharma Bhurat & Associates, Chartered Accountants, Jaipur retire at the ensuing Annual General Meeting have shown their inability to hold office as Auditors of the company. A proposal has been received of Gopal Sharma & Company, Chartered Accountant Jaipur for appointment as Statutory Auditor subject to the approval of shareholders. The Company has received the certificate from them that their re-appointment, if made, would be within the limits prescribed u/s 224(1B) of the Companies Act, 1956. The notes to accounts referred to in the Auditors Report are self-explanatory and therefore do not need further comment.

11. PERSONNEL :

The Company has not paid any remuneration attracting the provisions of Companies (Particulars of Employees) Rules, 1975, read with section 217(2A) of the Companies Act, 1956. Hence no information is required to be appended to this report in this regard.

12. ACKNOWLEDGEMENT :

The Board expresses its grateful thanks for the assistance and co-operation extended by Punjab National Bank and other Banks, various departments of State and Central Governments and other Associations.

Your Directors wish to convey their gratitude and appreciation to all the employees of the company for their valuable contributions during the year. They also wish to place on record their appreciation to the Company's Customers, Investors, Shareholders, Bankers, Suppliers, Distributors and other business associates for their cooperation and support.

Last but not the least Directors wish to place on record their deep sense of appreciation for the devoted services of Consultant Doctors and entire Nursing staff at all levels of the Company for its success.

BY ORDER OF THE BOARD

PLACE : JAIPUR
DATE : 27TH JULY, 2009

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

(GANPAT RAI SHARMA)
CHAIRMAN

ANNEXURE - I

Management Analysis & Discussion Report

1. Mission & Business Strategy

The Company is predominantly engaged in service activities related with the Medical and Health Sciences. The demand for sophisticated modern health care facilities is expanding very fast. With the ever expansive field of medical science and research the cult of health consciousness is spreading rapidly.

The Company aims at providing wide range of medical services in all the fields of Health industry. The objective is to offer best quality services to its customers at low costs and to achieve health growth and profitability. Your company is committed to achieve its objective while ensuring high levels of ethical standards, professional integrity and regulatory compliance.

2. Opportunity & Threats

Your Company has launched the S-ROM Modular Hip System, the most advanced artificial hip implant designed to reduce stiffness and thigh pain. The Hospital is providing the service of Replacement Surgery through the use of new and advanced implant. As you all know that the company is first in the state of Rajasthan which performed 'Replacement Surgery'. Our specially designed state of Art operation theatre is first of its kind in Rajasthan. This theatre has total body exhaust system and 'Antistatic' flooring which makes it totally sterile. That's why the company became successful in getting recognition from many reputed Govt.Bodies/Corporations/Banks and other private enterprises for the purpose of reimbursement of medical claims of their employees being treated at the hospital.

The Threats are increasing competition in health industry and increase in power tariff under the cost.

3. Segmentwise or productwise performance

Not applicable to your company.

4. Outlook, Risks & Concerns

The outlook of the Company remains positive. Jaipur hospital is cautiously optimistic about its prospects in the coming years. The Company aims at providing high quality services and treatments to the patients and to provide them with the greater satisfaction. For the last couple of years the company has taken a number of initiatives to re-structure and re-engineer the operations to enable the company to compete better in this profound competitive regime.

There are no major risks and concerns except the technology upgradation and increasing power tariff and competition. The Company is guarding itself against these risks by laying down appropriate strategy which is to be supplemented by business plans and review mechanisms.

5. Adequacy of Internal control

The Company has in place adequate system of internal control and document procedure covering all financial and operating functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting controls, monitoring economy and efficiency of operations, proper recording and safeguarding of assets from unauthorized use or losses for

maintaining proper accounting records and reliability of financial information. The Company has continued its efforts to align all its processes and control with practices.

There is an Audit Committee. Significant audit findings and suggestions along with the Reports thereon are regularly reported to the Audit committee. The Audit Committee monitors and reviews the significant audit observations, compliance with accounting standards, risk management and control systems.

6. Discussion on financial performance with respect to operational performance

The Company's Professional and other receipts for the year ended March 31, 2009 increased to Rs. 747.95 Lacs against Rs.535.84 Lacs during last year.

The Gross Profit before Depreciation, Interest and Tax has increased to Rs. 169.13 Lacs against Rs. 110.04 Lacs during the previous year.

The provision for taxation for the current year is Rs. 2.37 Lacs as compared to Rs. 3.40 Lacs for the previous year, the Profit after tax for the year is Rs. 0.36 Lacs as against Rs. 12.07 Lacs during the previous year.

7. Human Resource Development/Training

At Jaipur Hospital people represent the back bone of our success. The company embarked on an initiative to make it one of the best places to work in. Your Company's human resource Philosophy is to establish and build a strong and performance driven culture with greater accountability and responsibility at all levels. To that extent the Company views capability as a combination of right people in the right jobs, supported by the right processes, systems, structures and metrics.

Company's Human Resources (HR) systems have been focused towards developing wider perspectives in employees to achieve organizational excellence and enhancing their contributions to meet organizational goals. The Company recognizes the need for continuous growth and development to its employees in order to provide greater job satisfaction and also to equip them to meet growing organizational challenges. Specific Human Resource efforts were undertaken during the year to strengthen Human Resources System and practices.

We are in the service industry. As such human resources become one of the most important resources and needs to be carefully nurtured. The management team of the company is comprised of professionals and marketing personnel.

8. Employment Profile & Industrial Relations

The employee relationship continues to be cordial and the company received full co-operation from employees at all levels. During the year measures for training, development, safety of the employees and environmental awareness received top priority of the management.

9. Cautionary Statement

This report to the Shareholders is in compliance with the Corporate Governance Standard incorporated in the Listing Agreement with the Stock exchanges and as such cannot be construed as holding out for any forecast, projection, expectation, invitation, offer, etc. within the meaning of applicable securities, laws and regulations.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

Actual results may differ materially from those expressed or implied, significant factors that could make a difference to the operations include changes in Government regulations, tax regimes and other Statutes.

10. Capital Structure

The authorized Share Capital of the Company is Rs. 700 Lacs divided in 70 Lacs Equity Shares of Rs. 10.00 each.

11. Depository System

The ISIN No. allotted to the Company is INE465H01012. The Company has also established the required connectivity with both the depositories through Beetal Financial and Computer Services Private Limited, Delhi who are the Registrar and Share Transfer Agent for both the Physical and Demat Segments.

The equity shares of the Company can be held in electronic form with any Depository Participant (DP) with whom the Members/Investors have their depository account.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-2009

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchange)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sharma East India Hospitals & Medical Research Limited has always looked at good Corporate Governance as a way of life, observing the highest level of ethics in all its dealings. The company has always maintained its fundamental principles of Corporate Governance that of integrity, transparency and fairness.

The Company believes while an effective policy of Corporate Governance must provide appropriate empowerment to the executive management, it must also create a mechanism of internal controls to ensure that the powers vested in the executive management are properly used with appropriate consideration and responsibility to fulfill the objectives of the Company. The Board fully support and endorse corporate governance practices as per the provisions of the listing agreement as applicable from time to time.

The Corporate Governance Structure in the company is based on an effective supervisory role of Board and the constitution of committees, comprising of Independent Directors and chaired mostly by an Independent Director to oversee critical areas. The Company is aiming at efficient conduct of the business in meeting its obligations to the shareholders.

2. BOARD OF DIRECTORS

(a) Compositions of the Board of Directors

The composition of Board is in accordance with the requirements set forth by Clause 49 in this regard. The Directors possess experience in various fields that encompass Medical and Health, Law, Banking, Accounting and Finance. The Board consists of 10 directors of which are a perfect combination of Executive and Non Executive directors. The Chairman is Non Executive Director and the Managing Director is Executive Director. And the Board consists of 4 Independent Directors.

The Compositions of Board of Directors is as follows :

Name of Directors	Category	No. of other Directorship in Public Ltd. Co.	No. of Committee Membership / Chairmanship	
			Chairman	Member
Sh. Ganpat Rai Sharma	Chairman Non-Executive	NIL	2	1
Dr. Shailendra Kr. Sharma	Managing Director Executive	NIL	NIL	1
Dr. Ashok Agarwal	Non Executive Independent	3	1	2
Sh. J. N., Pathak	Non Executive Independent	1	NIL	2
Sh. Subhash Jain	Non Executive Independent	NIL	NIL	4
Sh. Rajesh Sharma	Non Executive Independent	NIL	1	NIL
Mr. Karan Sharma	Executive	NIL	NIL	NIL
Mrs. Maya Sharma	Executive	NIL	NIL	NIL
Mrs. Madhulika Sharma	Executive	NIL	NIL	NIL
Mrs. Monika Sharma	Executive	NIL	NIL	NIL

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

Independent Directors as defined in Clause 49 of the Listing Agreement is one, who apart from receiving remuneration does not have any other material pecuniary relationship or transactions with the company, its promoters, management or its subsidiaries, which in judgement of the Board may affect independence of judgement of the director and has not been an executive of the company in the immediately preceding three financial years. The Non-Executive Directors have no material pecuniary relationship or transactions in their personal Capacity with the company.

(b). Board Meeting

During the financial year 2008-09, 7 meeting of Board of Directors were held on 30th April 2008, 30th June 2008, 31st July 2008, 31st Oct. 2008, 15th Nov. 2008, 1st Dec. 2008, 19th Jan. 2009 and AGM For The year 2007-2008 was held on 29th Sep. 2008 The attendances of the Directors in these meetings were as follows:-

Name of Directors	Board Meeting		Whether attended AGM held on 29th September, 2008
	Held	Attended	
Sh. Ganpat Rai Sharma	7	7	YES
Dr. Shailendra Kr. Sharma	7	7	YES
Dr. Ashok Agarwal	7	6	YES
Sh. J. N. Pathak	7	7	NO
Sh. Subhash Jain	7	1	NO
Sh. Rajesh Sharma	7	0	NO
Mr. Karan Sharma	7	0	NO
Mrs. Maya Sharma	7	3	YES
Mrs. Madhulika Sharma	7	1	YES
Mrs. Monika Sharma	7	1	NO

(c) Information supplied to the Board among others

The Board has complete access to all information with the company. Inter alia, the following information provided to the Board as a part of the agenda papers well in advance of Board Meeting and is tabled in the course of Board Meeting :

1. Review of annual operating plans of business, capital budget, updates.
2. Quarterly results of the Company.
3. Any issue which involves possible public liability claims of a substantial nature.
4. Significant development in the human resources and industrial relation fronts.
5. Sale of material nature of investments, assets, which is not in the normal course of the business.
6. Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholders services, such as delay in share transfer and other grievances.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the company prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

3. AUDIT COMMITTEE -

There were some changes in the composition of the audit committee of the company during the year. A new Member Shri Subhash Chand Jain has been introduced in the Audit Committee this year. The Audit Committee of the Company comprises of 4 Directors, all being Non-Executive. All the members of the Audit Committee are financially literate and majority of them are having accounting or related financial management expertise.

At present Audit Committee consists of Shri J.N. Pathak, Shri Ganpat Rai Sharma and Ashok Agarwal and Shri Subhash Chand Jain. The Committee is chaired by Dr. Ashok Agarwal an Independent Director and Mr. Anupriya Saxena is nominated as compliance officer.

The Audit Committee functions with following objectives :

- To provide directors and oversee comprehensively the operation of internal & external audit functions & financial reporting.
- To review the internal control systems with special emphasis on the accounting system, its quality and its effectiveness in terms of follow up.
- To recommend appointment/removal and remuneration of statutory Auditors.
- To discuss with the statutory Auditors and finalisation of Annual Accounts.
- To review the company's financial and risk management policies.

Terms of reference and powers of committee include the areas/powers prescribed by clause 49 of the listing agreement of the stock exchange.

The Audit Committee meeting were held on 30th April 2008, 30th June 2008, 31st July 2008, 31st Oct. 2008, 19th Jan. 2009 and, No member was absent from the Committee Meeting without taking leave of absence.

4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE -

At present the committee consists of Shri J. N. Pathak, Shri Subhash Jain. and Shri Rajash Sharma. The Committee is chaired by Shri Rajesh Sharma an Independent Director.

During the Financial year 2008-2009, the committee met One time on 31st March, 2009

5. REMUNERATION COMMITTEE -

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing Director based on industry benchmarks, the company's performance, and responsibilities shouldered, performance track record of Managing/Executive Directors, macro economic review on remuneration.

The Composition of the Remuneration Committee is as follows :

1. Shri Subhash Jain
2. Dr. Ashok Agarwal
3. Shri Ganpat Rai Sharma

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

During the year the committee met once and all the members of the committee were present at the meeting. The aggregate value of Managerial Reumneration and professional fees paid for the year ended 31st March, 2009 to Managing Director, Dr. Shailendra Kr. Sharma is Rs. 600000/-. The Company pays sitting fees to the non-executive directors.

GENERAL BODY MEETINGS

(i) Details of location of last three Annual General Meetings of the Company are given below.

Nature of Meeting	Date	Venue	If Special Resolution Passed
Annual General Meeting	28.09.2007	Sharma Agriculture Farm Takia Ki Chowki, Kalwad Road, Jaipur	No
Annual General Meeting	29.09.2008	-Do-	No
Annual General Meeting	28.09.2006	-Do-	No

(ii) No postal ballot was put through during the last three years and as of now there is no proposal pending for passing any resolution through Postal Ballot at the ensuing Annual General Meeting.

(iii) No Extra Ordinary General Meeting was held during the financial year.

6. DISCLOSURES :

(a) Related party transactions

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard-18 issued by the Institute of Chartered Accountants of India have been reported in the Notes to the Accounts. There is no transaction of a material nature with any of the related party, which is in conflict with the interest of the company.

(b) No strictures/Penalties have been imposed on the company by the stock exchange, SEBI or any statutory authorities on any matter related to capital market during the last three years.

(c) Secretarial Audit

A qualified Chartered Accountant carried out the secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that total issued/paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL & CDSL.

7. MEANS OF COMMUNICATION -

Quarterly/Half yearly/Annual result are communicated through newspaper circulating at national & regional level. The company currently does not have a website.

8. GENERAL SHAREHOLDER'S INFORMATIONS -
Annual General Meeting

Date & Time	29th September, 2009 at 3.00 P.M.
Venue	Sharma Agriculture Farm Takia Ki Chowki, Kalwad Road, Jaipur

Financial Calendar for Financial Year 2008-2009 1.04.08 To 31.03.09

Details	On or Before
(a) 1st Quarterly Result	31.07.2008
(b) 2nd Quarterly Result	31.10.2008
(c) 3rd Quarterly Result	19.01.2009
(d) 4th Quarterly Result & Yearly Audited Result	30.06.2009

Date of Book Closure 22nd September 2009 to
29th September 2009
(Both days inclusive)

Dividend In view of the Marginal Profit during the year under review, the Board of Directors decided not to recommend any dividend on the equity shares of the Company

Listing of Stock Exchange The Stock Exchange, Mumbai (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort Mumbai - 400 001.

The Company has paid listing fees, as applicable for the financial year 2009-2010 to the concerned Stock Exchange.

Stock Code: Bombay Stock Exchange Limited - 514548

ISIN No. of the Company's
Equity Shares INE262C01014

Registrar and Transfer Agents Beetal Financial & Computer Services P. Ltd.
Beetal House, 3rd Floor, 99 Madangir, Behind Local
Shopping Centre, Near Dada Harsukhdas Mandir
New Delhi - 110062

Share Transfer System All the transfer received are processed and approved by the
Share transfer committee.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

Distribution of Shareholding as on 31st March 2009.

Range-No of Shares	% of Shareholders	% of share capital
1 - 5000	95.22	16.70
5001 - 10000	3.01	3.28
10001 - 20000	0.78	1.36
20001 - 30000	0.08	0.22
30001 - 40000	NIL	NIL
40001 - 50000	0.13	0.76
50001 - 100000	0.11	0.76
above 100001	0.67	76.92
Grand Total	100 %	100 %

Shareholding Pattern as on 31st March 2009.

Category	No. of Shares held	Percentage of holding
A1. Promoters Holding		
- Indian Promoters	17,59,300	53.58
- Foreign Promoters	-	-
2 Person Acting in Concert	-	-
Sub Total (1)	17,59,300	53.58
B Non Promoters Holding		
3. Institutional Investor	-	-
a. Mutual Funds & UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt./Non Govt. Institutions)	-	-
c. FIs	-	-
Sub Total (2)	-	-
3. Others		
a. Private Corporate Bodies	4,22,300	12.86
b. Indian Public	11,02,200	33.56
c. NRIs / OCBs	-	-
d. Any Other	-	-
- Clearing Member	-	-
Sub Total (3)	15,24,500	46.42
GRAND TOTAL	32,83,800	100.00

Dematerialization of equity Shares and liquidity

The Company's shares are traded only in Bombay Stock Exchange Ltd. to facilitate trading in dematerialized form the company has tied up arrangements with both the present depositories, National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL), Shareholders can open account with any of the depository participants registered with any of these depositories, As on 31st March, 2009 about 0.55% of the company's shares were held in dematerialized form.

Address for correspondence

Sharma East India Hospitals & Medical Research Ltd.
Jaipur Hospital
Lal Kothi, Near S.M.S. Stadium,
Tonk Road, Jaipur-302015
Tel. : 91-141-2742266 / 2742619 / 2741465 Fax No. 91-141-2742472
e-mail : jaipurhospital_lalkothi@rediffmail.com

NON MANDATORY REQUIREMENTS

The Company at present has not adopted the non-mandatory requirements in regard to sending half yearly financial results to the shareholders at the residence.

For and on behalf of Board of Directors

PLACE: JAIPUR
DATE : 27TH JULY, 2009

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

(GANPAT RAI SHARMA)
CHAIRMAN

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

Auditor's Certificate on Corporate Governance

To
The Members of Sharma East India
Hospitals & Medical Research Limited

We have examined the compliance of conditions of Corporate Governance by Sharma East India Hospitals & Medical Research Limited, for the year ended on March 31, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as at March 31, 2009, as per the records maintained by the Shareholders/Investors Grievance Committee.

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

FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

PLACE: JAIPUR
DATE : 27TH JULY, 2009

(VIKAS GUPTA)
PARTNER

AUDITOR'S REPORT

To

**The Members of Sharma East India
Hospitals & Medical Research Limited**

We have audited the attached Balance Sheet of **SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LTD.** as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date annexed there to and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India.
Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates, made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of section 227 (4A) of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books ;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956 ;
 - (e) In our opinion and based on information and explanations given to us none of the directors are disqualified as on March 31, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act 1956 ;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009
 - (ii) In the case of the Profit and Loss Account, of the **Profit** for the Year ended on that date ; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS
(VIKAS GUPTA)
PARTNER

PLACE : JAIPUR
DATE : 30TH JUNE, 2009

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph (1) of our Report of even date.

1. In respect of its Fixed Assets :
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories :
 - (a) The management has conducted physical verification of inventory at reasonable intervals.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and as such clauses (iii)(a) to (iii)(d) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and sale of services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956 :
 - (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- or more in respect of any party.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and therefore provisions of section 58A and 58AA of the Companies Act, 1956 and Rules thereunder are not applicable to the Company.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
9. There are no undisputed amounts payable in respect of Provident Fund, Investor Education & Protection Fund, Employee's State Insurance Act, Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Cess and other statutory dues which have remained outstanding as on 31st March, 2009 for a period exceeding six months from the date they become payable.
10. The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. As per books and records maintained by the Company and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution and banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other security.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks and Financial Institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the company during the year for the purposes for which loans were obtained.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

17. According to the Cash Flow Statements and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

PLACE: JAIPUR
DATE : 30TH JUNE, 2009

(VIKAS GUPTA)
PARTNER

BALANCE SHEET AS AT 31ST MARCH, 2009
SOURCE OF FUNDS

	SCHEDULE	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SHARE HOLDER'S FUNDS			
Share Capital	A	4,15,74,750	4,15,74,750
Reserves & Surplus	B	34,78,420	35,15,016
LOAN FUNDS			
Secured Loans	C	9,54,72,214	8,02,33,263
Deferred Tax Liability (net)		27,13,422	22,95,079
TOTAL		<u>14,32,38,806</u>	<u>12,76,18,108</u>

APPLICATION OF FUNDS
FIXED ASSETS

Gross Block		14,32,47,307	11,10,84,708
Less : Depreciation		<u>6,17,03,854</u>	<u>5,45,42,851</u>
Net Block	D	8,15,43,453	5,65,41,857
INVESTMENTS			
	E	1,88,30,490	1,88,30,490
CURRENT ASSETS, LOANS & ADVANCES			
	F	9,08,80,945	6,13,19,244
Less : Current Liabilities & Provisions	G	<u>4,80,16,082</u>	<u>90,73,483</u>
Net Current Assets		4,28,64,863	5,22,45,761

TOTAL		<u>14,32,38,806</u>	<u>12,76,18,108</u>
--------------	--	----------------------------	----------------------------

Notes forming part of the Accounts	N		
Significant Accounting Policies	O	0	0

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE: JAIPUR
DATE : 30TH JUNE, 2009

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULE	<u>AS AT 31.03.2009</u> Rupees	<u>AS AT 31.03.2008</u> Rupees
I. INCOME			
Professional Receipts	H	7,33,23,841	5,30,49,529
Other Miscellaneous Receipts	I	14,71,769	5,34,404
	TOTAL	<u>7,47,95,610</u>	<u>5,35,83,933</u>
II. EXPENSES			
Staff Expenses	J	1,81,81,460	1,54,08,020
Share of Consultant Doctors	-	1,37,47,184	1,06,41,674
Establishment Expenses	K	56,34,057	50,32,171
Other Expenses	L	65,45,421	57,27,362
Drugs & Other Consumables Consumed	-	1,37,73,742	57,70,943
Interest	M	91,33,504	50,73,933
Depreciation	-	71,61,003	48,15,752
	TOTAL	<u>7,41,76,371</u>	<u>5,24,69,855</u>
III. PROFIT BEFORE TAX		6,19,239	11,14,078
Provision for Taxation		(2,37,492)	(3,40,221)
IV. PROFIT AFTER TAX		<u>3,81,747</u>	<u>77,38,57</u>
Add : Profit brought forward from Previous Year		35,15,016	23,08,094
Add / Less Deferred (NET)		(4,18,343)	4,33,065
V.- SURPLUS CARRIED TO BALANCE SHEET		<u>34,78,420</u>	<u>35,15,016</u>

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE : JAIPUR
DATE : 30TH JUNE, 2009

SCHEDULES FORMING PART OF THE ACCOUNTS

<u>SCHEDULE-A</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
	Rupees	Rupees
SHARE CAPITAL		
AUTHORISED		
70,00,000 Equity Shares of Rs. 10/- each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
ISSUED		
51,49,000 Equity Shares of Rs. 10/- each	<u>5,14,90,000</u>	<u>5,14,90,000</u>
SUBSCRIBED & PAID UP		
32,83,800 Equity Shares of Rs. 10/- each	<u>3,28,38,000</u>	<u>3,28,38,000</u>
Add : Equity Shares Forfeiture A/c	<u>87,36,750</u>	<u>87,36,750</u>
TOTAL	<u><u>4,15,74,750</u></u>	<u><u>4,15,74,750</u></u>
 SCHEDULE-B		
RESERVE AND SURPLUS		
Profit & Loss Account		
Opening Balance as per last Balance Sheet	<u>35,15,016</u>	<u>23,08,094</u>
Add : Profit during the year	<u>6,19,239</u>	<u>11,14,078</u>
	<u>41,34,255</u>	<u>34,22,172</u>
Less : Tax Provision	<u>(2,37,492)</u>	<u>(3,40,221)</u>
	<u>38,96,763</u>	<u>30,81,951</u>
Add / Less : Deferred Tax (NET)	<u>(4,18,343)</u>	<u>4,33,065</u>
TOTAL	<u><u>34,78,420</u></u>	<u><u>35,15,016</u></u>

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE : JAIPUR
DATE : 30TH JUNE, 2009

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

<u>SCHEDULE-C</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
	Rupees	Rupees
SECURED LOANS		
(a) TERM LOANS		
(i) From Financial Institutions		
Kotak Mahindra Primus Ltd	7,43,903	13,46,499
(ii) From Banks		
Demand Loan From Banks	9,47,28,311	7,88,86,764
Line of Credit		
TOTAL	<u>9,54,72,214</u>	<u>8,02,33,263</u>

Notes :

1. Line of Credit from Punjab National Bank (PNB) are secured by mortgage charge on all present and future immovable & movable properties of the Company and these loans are further guaranteed by some of the Directors of the Company in their personal capacity.
2. Demand Loans/Against FD from PNB, SBBJ and SBI are secured by Fixed Deposits of the Company.

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE: JAIPUR
DATE : 30TH JUNE, 2009

SCHEDULES FORMING PART OF THE ACCOUNTS
SCHEDULE-D
FIXED ASSETS

Description of Fixed Assets	Gross Block as on 1.04.08	Addition During the year	Deduction During the year	Gross Block as on 31.03.09	DEPRECIATION			Total as on 31.03.09	Net Block as on 31.03.09
					Total as on 1.04.08	Addition During the year	Deduction During the year		
Land	2,97,50,077	10,23,628	0.00	3,07,73,705	0.00	0.00	0.00	0.00	3,07,73,705
Building	1,93,59,619	80,97,052	0.00	2,74,56,671	1,62,14,850	4,38,684	0.00	1,66,53,534	1,08,03,137
Plant & Machinery	5,08,06,703	2,25,09,858	0.00	7,33,16,561	3,08,49,605	56,77,405	0.00	3,65,27,010	3,67,89,551
Furniture & Fixture	58,88,670	3,43,821	0.00	62,32,491	44,89,536	2,96,218	0.00	47,85,754	14,46,737
Vehicles	39,78,110	0.00	0.00	39,78,110	18,97,915	5,38,562	0.00	24,36,477	15,41,633
Computer	13,01,529	1,88,240	0.00	14,89,769	10,90,945	2,10,134	0.00	13,01,079	1,88,690
TOTAL	11,10,84,708	3,21,62,599	0.00	14,32,47,307	5,45,42,851	71,61,003	0.00	6,17,03,854	8,15,43,453
Previous Year Figure	9,19,39,756	2,07,31,737	15,86,785	11,10,84,708	5,08,93,505	48,15,752	11,66,406	5,45,42,851	5,65,41,857

As per our report of even dates
FOR SHARMA BHURAT & ASSOCIATES
 CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
 CHAIRMAN

(VIKAS GUPTA)
 PARTNER

(ANUPRIYA SAXENA)
 COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
 MANAGING DIRECTOR

PLACE: JAIPUR
 DATE : 30TH JUNE, 2009

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

<u>SCHEDULE-E</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
	Rupees	Rupees
INVESTMENTS		
(1) LONG TERM - NON TRADE		
A UNQUOTED INVESTMENT		
2000 Equity Shares of <i>Kshitij Enterprises (P) Ltd.</i> @ 100/- each fully paid-up (Valued at Cost)	2,00,000	2,00,000
2000 Equity Shares of <i>Sharma Nursing Home & Bone Hospital (P) Ltd.</i> @ 100/- each fully paid-up (Valued at Cost)	2,00,000	2,00,000
4000 Equity Shares of <i>Sharma Hospitals (P) Ltd.</i> @ 100/- each fully paid-up (Valued at Cost)	4,00,000	4,00,000.
4000 Equity Shares of <i>Gaurav Sharma Enterprises (P) Ltd.</i> @ 100/- each fully paid-up (Valued at Cost)	4,00,000	4,00,000
B QUOTED INVESTMENT		
290900 Equity Shares @ 10/- each of <i>Ganpati Plast Fab. Ltd.</i> fully paid-up (Valued at Cost)	19,46,490	19,46,490
(2) IMMOVABLE PROPERTIES		
Land at Kalwad Road, Jhotwara	1,56,84,000	1,56,84,000
TOTAL	1,88,30,490	1,88,30,490

* Aggregate Face Value of Quoted Shares of Ganpati Plast Fab. Ltd. is Rs. 29.09 Lacs. Such shares are listed but not quoted hence market value is not available.

* Aggregate Face Value of Un-Quoted Shares Rs. 12 Lacs.

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE: JAIPUR
DATE : 30TH JUNE, 2009

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE-F	AS AT 31.03.2009	AS AT 31.03.2008
CURRENT ASSETS, LOANS AND ADVANCES	Rupees	Rupees
(A) CURRENT ASSETS		
i) Interest Accrued but not due on F.D.R.	11,90,901	12,62,362
ii) Inventories (<i>Spare Parts and Stores</i>) (Taken as valued and certified by the Management)	7,06,202	6,51,172
iii) Sundry Debtors (Un-secured and considered good)		NIL
(a) Outstanding for a period exceeding six months	10,44,977	
(b) Others	24,09,263	NIL
iv) Cash & Bank Balances		
(a) Cash-in-hand	1,88,571	62,136
(b) With Scheduled Banks :		
In Current account	1,66,438	42,494
In Fixed Deposit	1,76,50,000	20,06,50,000
(B) LOANS & ADVANCES (Un-secured and considered good)		
i) Advance to Staff	21,26,750	21,19,857
ii) Advance for Capital Expenditure	55,38,574	88,24,712
iii) Other Advances	5,86,36,050	2,61,75,185
iv) Adv. to Consultant Doctors	12,23,219	15,31,326
TOTAL	<u>9,08,80,945</u>	<u>6,13,19,244</u>

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE: JAIPUR
DATE : 30TH JUNE, 2009

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

<u>SCHEDULE-G</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
CURRENT LIABILITIES & PROVISIONS	Rupees	Rupees
(a) CURRENT LIABILITIES		
Sundry Creditors for goods & expenses	21,61,696	50,30,227
Advance from Patients	13,13,371	9,46,578
Other Current Liabilities	4,34,38,281	22,31,436
(b) PROVISIONS		
Provision for Taxation (Net)	11,02,734	8,65,242
TOTAL	<u>4,80,16,082</u>	<u>90,73,483</u>

SCHEDULE-H

PROFESSIONAL RECEIPTS

Accommodation Charges	11,68,91,05	1,10,92,760
Admission Registration Charges	2,67,508	2,74,189
Ambulance Charges	69,754	73,011
Consultation Charges	64,76,075	58,83,497
Internal Consultation Charges	30,27,616	27,81,510
Investigation Charges	23,47,651	20,05,094
Labour Room Charges	7,41,760	8,80,909
Operation Charges	3,22,74,068	1,78,68,699
Other Miscellaneous Charges	29,87,320	15,75,696
Pathological Charges	60,49,100	49,43,804
Physiotherapy Charges	1,86,033	2,31,992
Minor Procedure Charges	32,58,656	25,70,838
X-Ray Charges	39,49,195	28,67,530
TOTAL	<u>7,33,23,841</u>	<u>5,30,49,529</u>

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE: JAIPUR
DATE: 30TH JUNE, 2009

SCHEDULES FORMING PART OF THE ACCOUNTS

<u>SCHEDULE-I</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
	Rupees	Rupees
OTHER MISCELLANEOUS RECEIPTS		
Interest on FDs (Net) (1670697-867424)	8,03,273	1,83,662
misc. Income	4,49,173	62,400
Conference Income	2,19,323	0.00
Profit on Sale of Fixed Assests	<u>NIL</u>	<u>2,88,342</u>
TOTAL	<u>14,71,769</u>	<u>5,34,404</u>

<u>SCHEDULE-J</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
	Rupees	Rupees
STAFF EXPENSES		
Bonus	1,30,374	86,878
Employers Contribution to E.S.I.	1,94,176	1,88,496
Employers P.F. Contribution	2,29,830	2,29,125
Gratuity	51,159	7,575
Manual Labour Charges	34,42,137	26,55,844
P. F. Adm. Charges	30,883	30,758
Salary	1,31,13,137	1,15,55,455
Security Expenses	6,47,244	4,52,948
Staff Welfare Expenses	3,42,520	2,00,941
TOTAL	<u>1,81,81,460</u>	<u>1,54,08,020</u>

<u>SCHEDULE-K</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
	Rupees	Rupees
ESTABLISHMENT EXPENSES		
D.G. Set Oil, Petrol & Diesel	2,33,621	2,01,325
Electricity & Water Charges	20,14,072	18,69,689
Insurance Charges	1,10,246	1,25,819
Repairs & Maintenance (Other)	4,25,789	4,03,978
Repairs & Maintenance (P&M)	21,82,995	16,61,517
Repairs & Maintenance (Building)	6,67,334	7,69,843
TOTAL	<u>56,34,057</u>	<u>50,32,171</u>

As per our report of even dates
FOR SHARMA BHURAT & ASSOCIATES
 CHARTERED ACCOUNTANTS
(VIKAS GUPTA)
 PARTNER
 PLACE: JAIPUR
 DATE : 30TH JUNE, 2009

FOR AND ON BEHALF OF BOARD OF DIRECTORS
(GANPAT RAI SHARMA)
 CHAIRMAN
(DR. SHAILENDRA KUMAR SHARMA)
 MANAGING DIRECTOR

(ANUPRIYA SAXENA)
 COMPANY SECRETARY

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS

<u>SCHEDULE-L</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
	Rupees	Rupees
OTHER EXPENSES		
Advertisement & Publicity	65,182	30,528
Audit Fees	1,20,000	1,20,000
Bank Charges	56,658	85,655
Bed Sheet Expenses	52,225	93,945
Conveyance Exp.	51,646	1,67,839
Directors Sitting Fees	12,400	10,650
Fringe Benefit	64,329	6,70,30
General utility item consumed	3,33,443	1,94,971
Legal Expenses	6,81,054	2,36,232
Managerial Remuneration	6,00,000	6,00,000
Mattresses Expenses	0.00	46,312
Miscellaneous Expenses	3,59,036	4,26,363
Octroi, Freight & Cartage	895	2,350
Pathological consumables consumed	10,53,219	10,40,828
Pathological Expenses	10,57,432	8,09,920
Printing & Stationery consumed	4,97,456	4,11,215
Rebate & Discount	300	78,160
Rent	2,52,408	1,56,000
Telephone, Postage & Telegram	3,22,466	3,47,565
Vehicle Running & Maintenance	1,49,150	1,40,881
Washing Charges	3,11,047	2,32,210
X-Ray Film consumed	4,71,210	3,69,987
Loss on sale of Fixed Assets	0.00	58,721
Bed Debts	33,865	0.00
TOTAL	<u>65,45,421</u>	<u>57,27,362</u>

<u>SCHEDULE-M</u>	<u>AS AT 31.03.2009</u>	<u>AS AT 31.03.2008</u>
	Rupees	Rupees
INTEREST		
Interest on Fixed Term Loan	91,33,504	50,73,933
TOTAL	<u>91,33,504</u>	<u>50,73,933</u>

As per our report of even dates

FOR **SHARMA BHURAT & ASSOCIATES**

CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)

CHAIRMAN

(VIKAS GUPTA)

PARTNER

(ANUPRIYA SAXENA)

COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)

MANAGING DIRECTOR

PLACE : JAIPUR

DATE : 30TH JUNE, 2009

SCHEDULE-N
NOTES FORMING PART OF THE ACCOUNTS

1. Income tax comprises current tax and deferred tax. The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company.
2. In the opinion of the Board of Directors and to the best of their knowledge and belief the value of realisation of Current Assets, Loans & Advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
3. Provision of clause 4-C (a), 4-C (b), 4-C (c) of part-II of schedule VI of the Companies Act, 1956 regarding the licensed capacity and installed capacity are not applicable to the company, as the company is not required to take any licence.
4. Provision of clause 4-D of part-II of schedule VI of the Companies Act, 1956 regarding value of imports, expenditure incurred in foreign currency, amount of remittance in foreign currency on account of dividends, export earnings etc, are not given as all information required in the clauses are NIL.
5. Confirmation of Balance of Debtors, Creditors, Loans & Advances are subject to confirmation in some cases.
6. Interest income on fixed deposits of the Company has been accounted for on net basis i.e. after adjusting interest payable on demand loan against fixed deposits.
7. The Institute of Chartered Accountants of India (ICAI) has made Accounting Standard - Impairment of Assets-AS 28, mandatory for the accounting period commencing from 1st April, 2004 and the Company has carried comprehensive exercise to assess the impairment loss of Assets. Based on such exercise, there is no impairment of Assets. Accordingly, no adjustment in respect of loss on impairment of Assets is required to be in the Accounts.
8. (a) The company has been advised that the computation of the Net Profit for the purpose of director's remuneration u/s 309 of the Companies Act, 1956 need not be enumerated since no commission is agreed to paid to the Directors.

(b) Managerial Remuneration includes
Salary
Perquisites in cash or in kind

	Current Year	Previous Year
	6,00,000	6,00,000
	<u>NIL</u>	<u>NIL</u>
TOTAL	<u>6,00,000</u>	<u>6,00,000</u>

9. Auditor's Remuneration includes :
Audit Fees

	1,20,000	1,20,000
TOTAL	<u>1,20,000</u>	<u>1,20,000</u>

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

10. Cash Flow Statement for the year ended 31st March, 2009 is disclosed in the statement annexed to these accounts.
11. Figures have been rounded off to the nearest rupee.

As per our report of even date
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE : JAIPUR
DATE : 30TH JUNE, 2009

SCHEDULE-O**SIGNIFICANT ACCOUNTING POLICIES****AS-1 Accounting Conventions :**

(A) The accounts are prepared on accrual basis under the historical cost convention in accordance with the provisions of Companies Act, 1956 and materially comply with mandatory accounting standards issued by the Institute of Chartered Accountants of India. Except where otherwise stated, the accounting principles have been consistently applied.

Use of Estimates :

(B) The presentation of financial statements requires certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities on date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates and recognised in the period in which the results are known/materialised.

AS-2 Valuation of Inventories :

As the Company has no manufacturing activities hence, inventories consists only of consumables, stores etc. which are valued at cost, as certified by the management.

AS-3 Cash Flow Statement

The Cash Flow Statement is prepared under "INDIRECT METHOD" and the same is annexed.

AS-4 Contingencies and events occurring after the Balance Sheet Date

No provision for Contingencies and events occurring after the Balance Sheet Date was made.

AS-5 Net profit or loss for the period, prior period items and changes in the Accounting policies

There are no prior period debits to the Profit and Loss Account.

AS-6 Depreciation Accounting

Depreciation on fixed assets has been provided on written down value (WDV) method in accordance with the provisions of Section 205 (2) of the Companies Act, 1956 at the rates and in manner specified in Schedule XIV of the Companies Act, 1956.

In respect of the assets added/sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule XIV.

AS-7 Construction Contracts :

This Accounting Standard is not applicable.

AS-8 Research and Development

This Accounting Standard is not applicable.

AS-9 Revenue Recognition

The income of the Company is derived from fees from patients. This revenue income is recognized at the time of discharge of patient in the case of IPD patients.

The revenue and expenditure are accounted on going concern basis.

AS-10. Accounting for Fixed Assets

All Fixed Assets are stated at historical cost less Depreciation.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

AS-11 Accounting for effects of changes in foreign exchange rates

This Accounting Standard is not applicable.

AS-12 Accounting for Government Grants

The Company has not received any grants.

AS-13 Accounting for Investments

Investments are valued at cost,

AS-14 Accounting for Amalgamations

During the year there was no amalgamation.

AS-15 Accounting for Employees Benefits

Liability in respect of retirement benefit are provided on the basis monthly payment to E.S.I. pension and provident fund under the Employees Provident Fund (and miscellaneous provisions) Act, 1952 which are charged against revenue.

Liability in respect of future retirement gratuity is provided by annual contribution to life Insurance Corporation under the Group Gratuity Scheme which has been charged against revenue.

Leave encashment benefit is provided on cash basis.

AS-16 Borrowing Cost

Borrowing Cost recognized as expenses in the period in which they are incurred. No borrowing cost has been capitalized during the period since there were no qualifying assets of Accounting Standard-16 issued by the Institute of Chartered Accountants India.

AS-17 Segment Reporting

As the Company's business activity falls within a single business segment the disclosure requirements of Accounting Standard (AS) 17-Segment reporting by the Institute of Chartered Accountants of India is not applicable.

AS-18 Related Party Disclosure :

The following may be deemed to be considered as related parties in terms of Accounting Standard 18 issued by ICAI :-

- | | |
|--|-----------------------------|
| i) Gaurav Sharma Enterprises P. Ltd. | ii) Sharma Hospital P. Ltd. |
| iii) Sharma Nursing Home & Bone Hospital P. Ltd. | iv) Maya Sharma |
| v) Dr. Pradeep Kr. Sharma | vi) Ganpat Rai Sharma |

There is no related parties transactions during the year except related with key management personnel and relatives of such personnel.

Key Management Personnel - Dr. Shailendra Kr. Sharma (Managing Director)

Remuneration paid is disclosed under note - 9 of schedule N is Rs. 6,00,000/- and professional fees paid - Rs. 3,92,053/- Salary paid to relative of Key Management Personnel :

Maya Sharma (Wife) Salary	Rs. 126000/-
Pradeep Kr. Sharma (Brother) Salary	Rs. 129600/-
Ganpat Rai Sharma (Father) Rent	Rs. 36000/-
Monika Sharma (Brother's Wife)	Rs. 126000/-
Madhulika Sharma (Sister's Husband)	Rs. 146000/-
Rajesh Sharma (Sister's Husband)	Rs. 90000/-

AS-19 Accounting for Leases

The Company has not entered into any lease agreement during the year.

AS-20 Earning Per Share

Net Profit for the year (Rs.)	381747
No. of Equity Shares	32,83,800
Nominal Value of Shares	10
Earning Per Share (Rs.)	0.11

AS-21 Consolidated Financial statements

This Accounting Standard is not applicable on the Company, as the Company doesn't have any subsidiary or joint venture.

AS-22 Accounting for taxes on Income

The provision for tax for the year ended on 31st March 2009 is made in accordance with the provisions of Section 115JB of the Income tax Act. 1961 (i.e. Minimum Alternate tax)

Deferred Tax

The deferred tax for timing difference between the book and tax profit for the year is accounted for using tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date.

The deferred tax liability as at March 31, 2009 comprises of the following :

	31.03.09	31.03.08
(a) Deferred Tax Liability (DTL) (On account of Depreciation)	27,13,422	22,95,079
(b) Deferred Tax Assets (DTA)	NIL	NIL
(c) Net Deferred Tax Liability (NDTL) (A-B)	27,13,422	22,95,079
(d) Decrease /Increase in Net Deferred Tax Liability	4,18,343	(4,33,065)

AS-23 Accounting for investments in associates in consolidated financial statements

This Accounting Standard is not applicable.

AS-24 Discontinuing Operations

During the year the Company has not discontinued any of its operations.

AS-25 Interim financial reporting

The company has elected to publish its quarterly financial result which are subject to the limited review by the statutory auditor.

AS-26 Accounting for Intangible Assets

This Accounting Standard is not applicable.

AS-27 Capital Commitments of reporting entity Joint Venture

This Accounting Standard is not applicable.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

AS-28 Impairment of Assets

The Company has carried comprehensive exercise to assess the impairment loss of Assets. Based on such exercise, there is no impairment of Assets. Accordingly, no adjustment in respect of loss on impairment of Assets is required to be in the Accounts.

AS-29 Provisions, contingent liabilities and contingent assets

No provision for Contingencies and events occurring after the Balance Sheet Date was made.

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(GANPAT RAI SHARMA)
CHAIRMAN
(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE: JAIPUR

DATE : 30TH JUNE, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year Ended 31.03.2009 Rupees	Year Ended 31.03.2008 Rupees
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX & EXTRA		
ORDINARY ITEMS	6,19,239	11,14,078
Adjustment for :		
Depreciation	71,61,003	48,15,752
Preliminary Expenses	NIL	NIL
Interest Received	(8,03,273)	(1,83,662)
Interest Paid	91,33,504	50,73,933
OPERATING PROFIT BEFORE WORKING		
CAPITAL CHANGES	1,61,10,473	108,20,101
Adjustment for :		
Increase in Trade and other Receivables	(3,22,56,292)	(85,24,550)
Increase/Decrease in Inventories	(55,030)	(1,24,370)
Increase in Current Liabilities	3,89,42,599	17,49,068
CASH GENERATION FROM OPERATIONS	66,31,277	(39,20,249)
Interest Received	8,03,273	1,83,662
Interest Paid	(91,33,504)	(50,73,933)
Taxes Paid (Net)	(2,37,492)	(93,000)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	(85,67,723)	(10,63,022)
Extra Ordinary Items	NIL	NIL
NET CASH FROM OPERATING ACTIVITIES	(85,67,723)	(10,63,022)

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

	YEAR ENDED 31.03.2009 Rupees	YEAR ENDED 31.03.2008 Rupees
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	NIL	(10,08000)
Purchase of Fixed Assets	(3,21,62,599)	(2,07,31,737)
Sale of Fixed Assets (Net of Depreciation)	NIL	1,46,137
NET CASH USED IN INVESTMENT ACTIVITIES	<u>(3,21,62,599)</u>	<u>(2,15,93,600)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase / Repayment of long term Borrowing	<u>1,52,38,951</u>	<u>3,56,02,501</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>1,52,38,951</u>	<u>3,56,02,501</u>
NET DECREASE/INCREASE IN CASH & CASH EQUIVALENT (A+B+C)	(2,74,962)	1,29,45,879
Cash & Cash Equivalent Opening Balance	2,07,54,630	78,08,751
Cash & Cash Equivalent Closing Balance	1,80,05,009	2,07,54,630

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of **Sharma East India Hospitals & Medical Research Ltd.**, derived from the Audited Financial Statements for the year ended 31, March, 2009 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreement with Stock Exchanges.

As per our report of even dates
FOR **SHARMA BHURAT & ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)
CHAIRMAN

((VIKAS GUPTA)
PARTNER

(ANUPRIYA SAXENA)
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

PLACE: JAIPUR
DATE : 30TH JUNE, 2009



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

0 5 2 0 6

State Code 1 7

Balance Sheet Date

3 1

0 3

2 0 0 9

Date Month Year

II. Capital Raised During the year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities

1 4 3 2 3 8

Total Assets

1 4 3 2 3 8

Source of Funds

Paid-up Capital

4 1 5 7 5

Reserve and Surplus

3 4 7 8

Secured Loans

9 5 4 7 2

Deferred Tax Liability

2 7 1 3

Unsecured Loans

N I L

Application of Funds :

Net Fixed Assets

8 1 5 4 3

Investment

1 8 8 3 0

Net Current Assets

4 2 8 6 4

Miscellaneous Expenditure

N I L

Accumulated Losses

N I L

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

7 4 7 9 5

Total Expenditure

7 4 1 7 6

+ - Profit/Loss Before Tax

+ 1 6 9

+ - Profit/Loss after Taxes

+ 3 8 1

Earning per Share

0 . 1 1

Dividend Rate%

N I L

V. Generic Names of Three Principal Products/Services of Company (As per monetary Terms)

Item Code No.

N.A.

Product Description

SERVICING ACTIVITIES

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

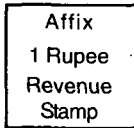
Registered Office : JAIPUR HOSPITAL
LAL KOTHI, NEAR S.M.S. STADIUM, TONK ROAD, JAIPUR-302 015

PROXY FORM

Reg. Folio No. No. of Shares held

I/We of
..... being
a Member/Members of the Sharma East India Hospitals & Medical Research Limited hereby appoint
.....
..... to vote for me/us on behalf at the
TWENTHETH ANNUAL GENERAL MEETING of the Company to be held at 3.00 P.M. on 29th September,
2009 and at any adjournment thereof. Signed at this
..... day of 2009.

Signature



Note : The Form of Proxy, duly completed and signed across revenue stamp must reach at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

Tear Here

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

Registered Office : JAIPUR HOSPITAL
LAL KOTHI, NEAR S.M.S. STADIUM, TONK ROAD, JAIPUR-302 015

ATTENDANCE SLIP

(To be completed and handed over at the entrance of the Meeting venue)

Full Name of Member..... Reg. Folio No.

(In Block Letters) No. of Shares held

Full Name of Proxy

(In Block Letters)

(To be filled in if the Proxy attends instead of the Member)

I hereby record my presence at the **Twentieth Annual General Meeting** of the Company at 3.00 P.M. on Tuesday the 29th September, 2009 at Sharma Agriculture Farm, Takia Ki Chowki, Kalwad Road, Jhotwara, Jaipur

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

If undelivered Please Return to :

**SHARMA EAST INDIA HOSPITALS AND
MEDICAL RESEARCH LIMITED
JAIPUR HOSPITAL**

LAL KOTHI, NEAR S.M.S. STADIUM
TONK ROAD, JAIPUR-302 015