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**Annual Report**

**2009-2010**



**Jaipur  
Hospital**

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

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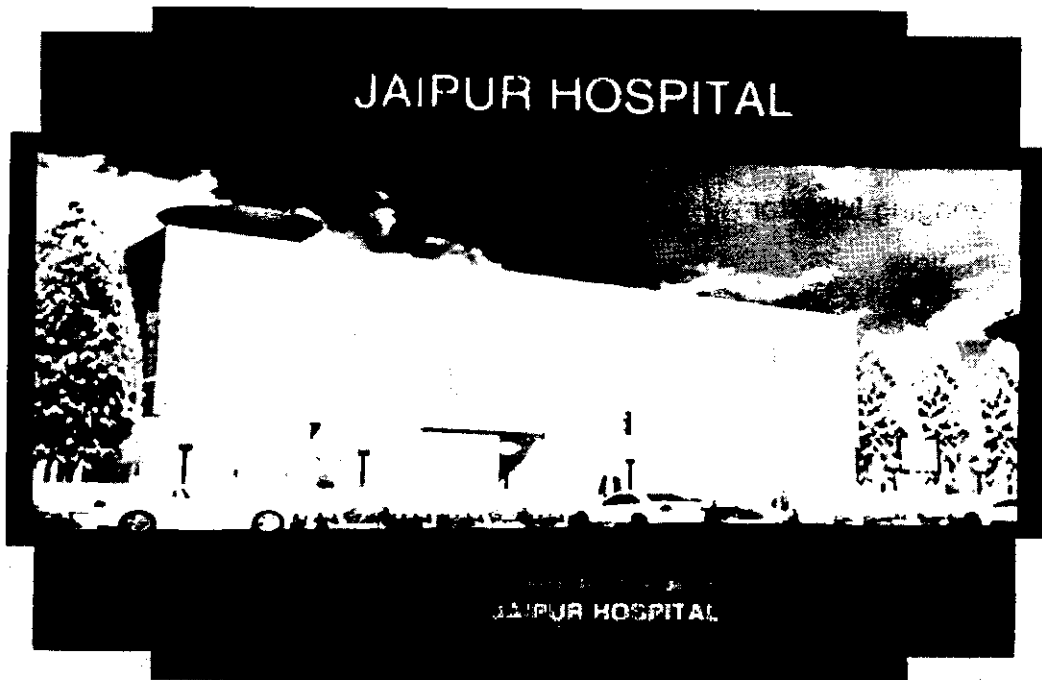
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## BOARD OF DIRECTORS

Chairman	Shri Ganpat Rai Sharma
Managing Director	Dr. Shailendra Kumar Sharma
Directors	Shri Karan Sharma
	Shri Subhash Jain
	Shri Rajesh Sharma
	Shri J.N. Pathak
	Dr. Ashok Agarwal
Auditors	M/S Gopal Sharma & Company Chartered Accountants Jaipur.
Company Secretary	Anupriya Saxena
Bankers	PNB, SBBJ & SBI BANK
Registered Office	Jaipur Hospital, Lal Kothi, Near S.M.S. Stadium Tonk Road, Jaipur-302015 Phone: 2742557, 2742619, 2742266, 2740936, 2741465

### Twenty-First Annual General Meeting

WEDNESDAY THE 29<sup>TH</sup> SEPTEMBER, 2010  
AT SHARMA AGRICULTURE FARM  
TAKAI KI CHOWKI, KALWAD RAOD,  
JHOTWARA, JAIPUR  
AT 3.00 PM

***Major Achievements During the year:-***

1. In July, 2009 Company has applied to National Accreditation Board for Hospitals and Health Care Providers (NABH). NABH accreditation system is one of the methods for commitment to quality enhancement throughout the whole of the health care system in India. It involves all professional and service groups to ensure that high quality in health care is achieved, while minimizing the inherent risks associated with modern health care delivery. NABH accreditation will be a scarce jewel for the Company.
2. In the month of July, 2009, Company has registered itself in the Empanelment of ECHS (Ex-Employee Contributory Health Scheme) a scheme for ex-employees of Army/Military. In Rajasthan this health scheme has around 50000 beneficiaries.
3. In November 2009, we have applied to ECHS (Ex-Employee Contributory Health Scheme) to get ourselves registered in its Super Specialty Service providing Scheme for its beneficiaries. Company hopes to get the approval from ECHS by the November, 2010. Company is already providing normal health services to the employees of ECHS.

4. Company has got itself empanelled for Chief Minister Relief Fund for BPL patients. It is the sense of Social responsibility and vision of our management to contribute towards the welfare of needy persons which has stimulated the thought to get empanelled in the Chief Minister Relief Fund.
5. Company has also applied to the Government of Rajasthan for providing Medical Services to the State Employees, expenses of which will be reimbursable to the State Employees.
6. During the year Company has got approval of empanelment from ITC Ltd, Rajasthan Co-operative Dairy Federation Ltd., UCO Bank and Reserve Bank of India.
7. Two new Third Party administrators i.e. M.D. India Pvt. Ltd and Alankit Health Care Ltd. approved the empanelment of the Company.
8. After the new approvals now company is empanelled with 55 institutions and TPAs namely Hindustan Petroleum Corp. Ltd, Airport Authority of India, RIICO, University of Rajasthan, Rajasthan State Roadways Transport Corp., UCO Bank, Rashtirya Ispat Nigam Ltd, SBBJ, HUDCO, Rajasthan State Warehousing Corp, SBI, Rajasthan State Seeds Corp, Rajasthan State Agriculture Marketing Board, Bank Officers' Association, MEDISAVE, Parivar Seva Clinic, CGHS, ITDC, RFC, Ashok Club Members and Employees, Raksha TPA, Hotel Jaipur Ashok, The Bank of Rajasthan, Rajasthan State Road Development & Construction Ltd, Paramount Health Services Ltd, FCI, National Fertilizers Ltd, Central Sheep & Wool Research Ltd, Family Health Plan Ltd, Rajasthan Sanskrit University, Medicare, Rajasthan State Mines Corp Ltd, Smile Train, RAJFED, Meacon Ltd, Bank of India, Rajasthan Tours and Travels Ltd, Medi-Assist, ESIC Beneficiaries, Rajasthan Rajya Pathya Pustak Mandal, Rajasthan Housing Board, JVVNL, Dedicated Health Services Ltd, E-Meditel Solutions Ltd, BSNL, Apollo DKV Health Services Ltd, ECHS, RBI, ITC ltd, Alankit, ESIC Employees and Pensioners Ltd, Jaipur Diary and Rajasthan Cooperative Dairy Federation.
9. Company has got *Highest Rating '1A'* for its Highest Performance and High Financial Strength by NSIC-ONICRA Credit Rating Agency.

**NOTICE:**

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

**DATE :** 29<sup>TH</sup> SEPTEMBER, 2010  
**DAY :** WEDNESDAY  
**TIME :** 3.00 PM  
**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 Director's report and Audited Profit and Loss account for the year ended on 31<sup>st</sup> March, 2010 and the Balance Sheet as at that date together with the reports of the Auditors thereon.
2. To appoint a Director in place of Shri. Ganpat Rai Sharma, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Subhash Chand Jain, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Rajesh Sharma, who retires by rotation and is eligible for reappointment.
5. To consider and if, thought fit, to pass, with or without modification the following resolution as an ordinary resolution

"RESOLVED THAT M/s Gopal Sharma & Company, Chartered Accountants, H-1, Chitranganj Marg C-Scheme, Jaipur be and is hereby re-appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, to audit the accounts of the Company for the financial year 2010-2011, including audit of cash flow statements, on a remuneration to be mutually agreed upon between the Company and the Statutory Auditors."

**SPECIAL BUSINESS:**

6. To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Special Resolution

"RESOLVED that pursuant to the provisions of sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, and pursuant to the approval of the remuneration committee of the Board and the Board of Directors at their meeting held on 03rd August, 2010, approval of the members be accorded to the re-appointment of Dr. Shailendra Kumar Sharma, as Managing Director of the Company for a period of 5 (Five) years with effect from 14.08.2010 on a total monthly remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only).

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2009-2010

FURTHER RESOLVED that the Board of Directors be and is hereby authorised to vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

FURTHER RESOLVED that where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration by way of salary subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, any Director of the Company be authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

7. To consider and, if thought fit to pass, with or without modification(s) the following Resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the Act, the Company hereby accords approval of its members for the payment of enhanced remuneration to Mr. Karan Sharma, Directors of the Company, as set out in the Explanatory Statement which shall be payable, if approved, to them with effect from 01.05.2010."

"RESOLVED FURTHER THAT Board of Directors on recommendation of remuneration committee be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

8. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 309(4) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such statutory approvals as may be necessary, authority be and is hereby accorded to the payment of commission to the Non-Executive Directors of the Company (other than the Managing Director and/or Whole Time Directors and Independent Directors) to be determined by the Board of Directors for each Non-Executive Directors for each financial year over a period of 5 (five) years commencing from the financial year ending on 31.03.2011 up to and including financial year of the Company ending as on 31.03.2015 to be calculated in accordance with the provisions of Sections 198, 349 and 350 and other provisions, if any, of the Companies Act, 1956 and distributed between such Director(s) in such a manner as the Board of Directors may from time to time determine within the maximum limit of 1% (one percent) of net profits of the Company, in addition to the sitting fees being paid by the Company for attending the Board/Committee Meetings of the Company".

Date: 03-08-2010

**BY ORDER OF THE BOARD**

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 at the Annual General Meeting may appoint a Proxy to attend and vote on his behalf. A proxy need not to be a member of the company.**  
**The instrument appointing a proxy, in order to be effective, must be duly filled, stamped and signed and must reach the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.**
2. Corporate Members are requested to send Company a duly certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorising their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September 2010 to 29<sup>th</sup> September 2010, both days inclusive.
4. Proxies/Members are requested to bring the admission slip duly filled in the Meeting.
5. Members are requested to bring their copies of Annual Report and the Accounts to the Meeting.
6. Members are requested to quote the ledger folio in all the communication with the Company.
7. Members desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
8. Members holding shares in dematerialize form are requested to bring their Client ID & DP ID Number for easy identification at the meeting.
9. Members are requested to lodge the transfer, transmission of shares at the registered office or to the Registrar & Share Transfer Agent M/s Beetal Financial & Computer Services P. Ltd, Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harshukh Das 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<sup>es</sup>.
10. Members desirous of making a nomination in respect of their shareholding, as permitted by Section 109A of the Companies Act, 1956, are requested to write to the Share Transfer Agents of the Company for the prescribed form.
11. The Company's shares are listed on The Bombay Exchange Limited. The listing fees for the exchange has been paid for the financial year 2010-2011
12. Additional particulars of Directors retiring by rotation and eligible for appointment pursuant to Clause 49 of the Listing Agreement are mentioned separately in this Annual Report.
13. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business under Item No 6 to 8 under the Head Special Business : above are annexed hereto

DATE: 03-08-2010

**BY ORDER OF THE BOARD**

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

**(COMPANY SECRETARY)**



**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT:**

The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 for item No. 6 to 8.

**Item No. 6**

Dr. Shailendra Kumar Sharma has been Managing Director of the Company since 1991 and contributing significantly to the successful working of the Company. In view of his valuable experience and expertise, your director feels that it will be in the Company's interest and benefit to have his association and gain from his wise counsel, therefore the Board of Directors at its meeting held on 03.08.2010 has approved subject to the approval of the members, the re-appointment of Dr. Shailendra Kumar Sharma as Managing Director of your Company for a period of 5 years w.e.f. from 14.08.2010. The terms of re-appointment and remuneration payable are as under:

1. A salary at the rate of Rs. 50000/- p.m. w.e.f. from 14.08.2010
2. The actual travelling expenses incurred by the Managing Director for work related with Company or in exercise of day to day work.
3. The actual entertainment expenses reasonably incurred by the Managing Director for the business of the Company.
4. The Managing Director will be entitled to the use of motor car of the Company for official purposes only. All the expenses for the running and maintenance of the motor car will be borne and paid by the Company.
5. The Board of Directors have authority to alter or vary the terms of re-appointment and remuneration, including perquisites pay able to Dr. Shailendra Kumar Sharma within over all limits of schedule XIII of the Companies Act, 1956, with the recommendation of remuneration committee.

The proposed resolution is required to be passed as a Special Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of annual general meeting.

The Board of Directors commends the resolution for your approval.

Shri Ganpat Rai Sharma, Chairman of the Company, being father of Dr. Shailendra Kumar Sharma, Mr. Karan Sharma, Director of the Company, being son of Dr. Shailendra Kumar Sharma and Mr. Rajesh Sharma, Director, of the Company being brother-in-law of Dr. Shailendra Kumar Sharma may be deemed concerned and interested in the said resolution.

Except above none of the others Directors is any way concerned or interested in this resolution proposed to be passed.

This alongwith the relevant resolution shall be treated as an abstract of the terms of re-appointment and remuneration as required to be disclosed to the members pursuant to section 302 of the Companies Act, 1956.

**Item No. 7**

As per the recommendation of Remuneration Committee, Board of Directors wants to enhance remuneration payable to Mr. Karan Sharma, Directors of the Company as per the details given below:-

1. An enhanced salary of Rs. 15500 p.m. in place of current salary of Rs. 15000 p.m. to Mr. Karan Sharma.
2. The actual traveling expenses incurred by the Directors for work related with Company or in exercise of day to day work.
3. Reimbursement of actual entertainment expenses reasonably incurred by the Directors for the business of the Company.
4. The Directors will be entitled to the use of motor car of the Company for official purposes only. All the expenses for the running and maintenance of the motor car will be borne and paid by the Company.
5. The Board of Directors have authority to alter or vary the terms of re-appointment and remuneration, including perquisites payable to the said directors within over all limits of schedule XIII of the Companies Act, 1956 with the recommendation of remuneration committee.

The Board of Directors commends the resolution for your approval. Shri Ganpat Rai Sharma, Chairman of the Company, being grandfather of Mr. Karan Sharma, Dr. Shailendra Kumar Sharma, Managing Director of the Company, being father of Mr. Karan Sharma and Mr. Rajesh Sharma, Director of the Company, being maternal uncle of Mr. Karan Sharma may be deemed concerned and interested in the said resolution.

Except above none of the others Directors is any way concerned or interested in this resolution proposed to be passed.

This alongwith the relevant resolution shall be treated as an abstract of the revised terms of remuneration as required to be disclosed to the members pursuant to section 302 of the Companies Act, 1956.

**Item No. 8**

Section 309 of the Companies Act, 1956 provides that a Director who is neither in the whole time employment of the Company nor a managing director may be paid remuneration by way of commission, if the Company by special resolution, authorises such payment. The Board of Directors are of the opinion that, in order to remunerate the Non-Executive of the Company (other than the Managing Director and/or Whole-time Directors and Independent Directors), for the responsibilities entrusted upon them under the law particularly with the requirements of the Corporate Governance Policies, the current trends and commensurate with the time devoted and

the contribution made by them, the Board at their Meeting held on 3rd August, 2010 have approved, subject to such statutory approvals as may be necessary, payment by way of commission, to be paid to the Non-Executive Directors of the Company.

The Board of Directors of the Company have approved payment of commission to Non-Executive Director of the Company, within the maximum limit of 1% percent of net profits of the Company, to be determined by the Board of Directors for each Non-Executive Director for each financial year, over a period of five years commencing from the financial year ended 31.03.2010 up to 31.03.2014. In addition to the Commission on the net profits as aforesaid, each Non-Executive Director of the Company is presently entitled to a fee of Rs. 1450/- per meeting of the Board and for meetings of Committee of which he is a member, attended by him.

Section 309 of the Companies Act, 1956 requires approval of members of the Company by passing a Special Resolution in General Meeting for payment of remuneration by way of commission to Non-Executive Directors of the Company.

The Resolution as set out in item no. 8 of the Notice will be placed before the meeting for the approval of the members.

The Board of Directors recommends the Resolution, for the approval of the Members.

All Non-Executive Directors of the Company are concerned or interested in the Resolution to the extend of the commission that may be received by them.

DATE: 03-08-2010

**BY ORDER OF THE BOARD**

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

**(COMPANY SECRETARY)**

**Details of the Directors seeking reappointment in the forthcoming Annual General Meeting  
(in pursuance of Clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	<b>Mr. Ganpat Rai Sharma</b>	<b>Mr. Subhash Chand Jain</b>	<b>Mr. Rajesh Sharma</b>
<b>Date of Birth</b>	25.08.1925	08.05.1962	23.02.1956
<b>Date of appointment</b>	29.09.1992	28.04.1990	28.04.1990
<b>Expertise in specific Functional area</b>	Law	Construction of Hospitals & Running of Hospitals Operating System	Investments
<b>Qualification</b>	B.Sc. & LL.B.	B.Com	B.Sc.
<b>Shareholding</b>	5,000	35,500	40,000
<b>List of public Companies In which outside director-Ship Held on 31<sup>st</sup> March, 2010</b>	Nil	Nil	Nil
<b>Chairman/Member of public Companies on which he is a Director as on 31<sup>st</sup> March, 2010</b>	Nil	Nil	Nil

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2009-2010

## DIRECTOR'S REPORT

To,  
The Members,

Your Directors are pleased to present the Twenty-First Annual Report on the business and operations of your Company together with Audited Annual Accounts and Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2010.

### 1. FINANCIAL RESULTS

	(Rs. in Lacs)	
	<u>For the year ended on</u>	
	<u>2009-2010</u>	<u>2008-2009</u>
Professional Receipts & Other Income	910.98	747.95
Profit before Interest, Depreciation & Tax	207.36	169.13
Less : Interest	<u>89.39</u>	<u>91.33</u>
Operating Profit	117.97	77.80
Less : Depreciation	<u>96.11</u>	<u>71.61</u>
Net Profit before Tax	21.86	6.19
Less : Provision for Taxation :		
Current Tax	7.70	2.37
Deferred Tax (Net)	<u>1.04</u>	<u>4.18</u>
Net Profit After Tax	13.12	(0.36)
Add : Profit brought forward from Previous Year	34.79	35.15
Surplus carried forward to Balance Sheet	47.91	34.79

### 2. REVIEW OF OPERATION:

During the year under review, your Company has registered an overall increase of 22 % in the professional and other receipts i.e. Rs 910.98 in comparison to 747.95 Lacs in the previous year. In spite of the stiff competition in the medical industry affecting the operations of your Company, your Company has performed satisfactorily by maintaining almost same profit level of the previous year before Interest, Depreciation and Taxes. Further your Company continuously making efforts to enhance the operations and also trying to hold its grip over upcoming opportunities in Medical & Health Industry.

### 3. DIVIDEND:

In view of marginal funds, the Board of Directors doesn't recommend payment of dividend for the year under review.

**4. DISCLOSURE OF MATERIAL CHANGES SINCE THE DATE OF BALANCE SHEET:**

There is no material changes since the date of Balance Sheet regarding

- (a) Disposal of a substantial part of undertaking
- (b) Changes in Capital Structure of the Company
- (c) Serious break down
- (d) Alteration in wage structure arising out of trade union negotiations
- (e) Material changes concerning purchase of raw material and sale of products, etc.

**5. DISCLOSURE OF COMPOSITION OF THE AUDIT COMMITTEE:**

The constitution of audit committee is in confirmation with the requirements of section 292(A) of the Companies Act, 1956 and also as per the requirements of Clause 49(II) (A) of the listing agreement. The Audit Committee of the Company consists of 4 Directors; Shri J.N. Pathak, Shri Ganpat Rai Sharma and Shri Ashok Agarwal and Shri Subhash Chand Jain., all being Non-Executive. The Committee is chaired by Shri Ashok Agarwal an Independent Director and Ms Anupriya Saxena has been nominated as Compliance Officer. All the members of the audit committee are financially literate and majority of them are having accounting or related financial management expertise.

**6. OUTLOOK FOR 2010-11:**

The Company can look back with satisfaction at the last year's performance as being ever improving. The Company is working towards sustaining this momentum in the current year also. During the year under review the hospital unit re-equipped with all latest facility with available high-tech equipments and expertise of all the specialties and maintained high status in the line. In addition your Company has successfully started Fifth batch of Physiotherapy College, fourth batch of B.Sc Nursing College through a trust having same management, due to this hospital will get highly qualified Nursing Staff. Your Company is running a successful Cardiac Department through JAIPUR HEART INSTITUTE. But the vision of management does not stop here itself. Constant exploration of new medical services, introduction of Hi-tech equipments which will benefit the patients would certainly drive the growth in the coming years.

**7. ATTACHMENT OF THE COMPLIANCE CERTIFICATE OBTAINED FROM A COMPANY SECRETARY IN PRACTICE:**

Company has employed a full time Company Secretary, So Company doesn't require to obtain Compliance Certificate obtained from a Company Secretary in Practice.

**8. 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.

**9. COMMENTS ON RESERVATIONS, QUALIFICATIONS OR ADVERSE REMARKS GIVEN IN THE AUDITORS' REPORT:**

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of un-qualified financial statements.

**10. CORPORATE GOVERNANCE:**

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

**11. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. Ganpat Rai Sharma, Mr. Subhash Chand Jain and Mr. Rajesh Sharma, Directors of the Company retires 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.

**12 DIRECTOR'S RESPONSIBILITY STATEMENT U/S 217(2AA):**

Pursuant to section 217(2AA) of the Companies Act, 1956 the Directors based on the representation received from the operating management confirm that:

- (i) That in the Preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation to the material departures;
- (ii) they have in selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments 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 the period ;
- (iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the Annual Accounts on a going concern basis.

**13 CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE EARNINGS AND OUT GO:**

Since the Company is engaged in service activity 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 Companies ( Disclosure of particulars in the Report of Board of Directors) Rules 1988. There were no Foreign exchange earning and outgoing during the year.

**14 AUDITORS AND AUDITOR'S REPORT:**

M/s Gopal Sharma and Company, Chartered Accountants, Jaipur, the Company's Auditors, retires at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

The Board on the recommendation of the Audit Committee, had proposed that M/s Gopal Sharma and Company, Chartered Accountants, Jaipur be re-appointed as the Statutory Auditors of the Company and to hold office till the conclusion of the next Annual General Meeting of the Company. Gopal Sharma and Company, Chartered Accountants, Jaipur have forwarded their certificate to the Company, stating that their appointment, if made, will be within the limit specified in that behalf in Sub-Section (1B) of the Section 224 of the Companies Act, 1956.

The notes to accounts referred to in the Auditors are self explanatory and therefore do not need further comment.

**15 PARTICULAR OF EMPLOYEES:**

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.

**16 REPORTS ON PROJECTION MADE IN OFFER DOCUMENTS FOR PUBLIC OR RIGHT ISSUE BY A LISTED COMPANY:**

During the year under review Company had not issued any offer document.

**17. REPORT OF THE UTILIZATION OF PROCEEDS ON THE PUBLIC, RIGHT ISSUE AND PREFERENTIAL ALLOTMENT OF SECURITIES:**

During the year under review Company had not come up with any public, right and preferential allotment.

**18 DISCLOSURE FOR FAILURE TO COMPLETE BUY-BACK WITHIN TIME:**

During the year under review Company had not dealt with any Buy back proposal.

**19 DISCLOSURE FOR ISSUANCE OF SWEAT EQUITY SHARES:**

During the year under review Company had not issued any Sweat Equity Shares.

**20 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 Government and other Associations.

Your Directors wish to convey their gratitude and appreciation to all employees of the Company for their valuable contribution 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 records 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 THE ORDER OF THE BOARD**

**PLACE: JAIPUR  
DATE: 03-08-2010**

**(Dr. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR**

**(GANPAT RAI SHARMA)  
CHAIRMAN**



## ANNEXURE-I

### Management Analysis & Discussion Report

#### 1. **An overview of Economy:**

Since 2008 fallout, markets in India have been stabilized followed by the un-precedented victory in the recent elections, announcement of stimulus packages, and active response to the crisis by the central bank (RBI) which boosted market sentiment and anticipating greater reforms in the economy. As per the data of GDP for 2009-10 released by the Central Statistical Organisation (CSO), the economy has grown at 7.60 per cent in 2009-10, with the industrial and the service sectors growing at 8.2 and 8.7 per cent respectively. By 2010, the share of services would increase to 58 per cent, which would bring the size of the India's services sector, relative to GDP, closer to that of an upper middle income country. The Indian healthcare sector has emerged as one of the largest service sectors in India. Healthcare spending in India is expected to rise by 12% per annum. An estimate suggests that by 2012 healthcare spending could contribute 8% of GDP and give employment to many. Rising incomes and growing literacy are likely to drive higher per capita expenditure on healthcare.

#### 2. **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 the field 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.

#### 3. **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 the 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 reorganization 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, huge price discrimination and low per capita expenditure.

#### 4. **Segment wise or Product wise performance**

Not applicable to our Company.

**5. 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 greater satisfaction. For 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.

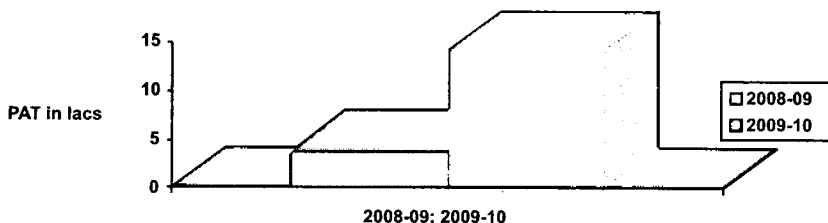
**6. Adequacy of Internal Control**

The internal controls are constantly upgraded based on Internal audit's and audit committees recommendations as also the perceived need to automate controls due to the increasing complexity of operations. 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 ERP system has stabilized. Internal Controls relating to the Financial Reporting are being closely monitored and related systems and processes are being refined based on the recommendations from the Audit Committee and Statutory Auditors. The Internal Audit programme focuses on Operational and Systems audit aiming at upgradation of controls to meet changing times and complex operating environment.. The Company has continued its efforts to align all its processes and control with best global practices.

**7. Discussion on financial performance with respect to operational Performance**

Jaipur Hospital has sustained its momentum on the growth path during the year ended 2009-10. The Company's Professional and other receipts for the year ended March 31, 2010 increased to Rs 910.98 Lacs against Rs.747.95 lacs during last year. The Gross Profit before Depreciation, Interest and Tax has increased to Rs.207.36 Lacs against Rs 169.13 Lacs during the previous year. The provision for taxation for the current year is Rs.7.70 Lacs as compared to Rs 2.37 Lacs for the for the previous year, the profit after tax for the year is Rs 14.15 Lacs as against Rs. 3.81 during the previous year.

**Profit after Taxes**



**8. How Company Fared**

The Company has achieved a growth of 20 per cent in the Income and Net Profit before Taxes (NPBT) went up to 21,86,034 from Rs. 6,19,239 over the previous year. Net profit after Taxes grew to Rs. 14,15,919 from Rs 3,81,747 over the year.

The Company continued its efforts to bring down the interest costs through judicious borrowing and better working Capital management, which has resulted in the reduction of interest outgo from Rs. 91.33 lacs in 2008-09 to Rs. 89.38 lacs in 2009-10. Company has registered a 20% growth in Professional Receipt and an overall 22% increase in total receipt.

**9. Human Resources Development/Training**

The Company believes that employees are not the man power but they are resource for the company. Employees can make the difference and it has been the Company's continuous endeavour 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, combination of right people in the right jobs, supported by the right processes, systems, structure and metrics.

Company's Human Resources (HR) systems have been focused towards developing wider perspectives in employees to achieve organizational excellence and enhancing their contribution 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 Resources efforts were undertaken during the year to strengthen Human Resources System and Practices.

We are in the services 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 professional and marketing personnel.

Company has started Human Resource department this year in order to support the growing needs of our business, talent acquisition.

54 employees joined us during the year. As of 31<sup>st</sup> March, 2010, the Company had 106 employees on its rolls of which 15 were Resident doctors, 45 were nursing staff and 46 were belongs to other categories. During the year ended on 31<sup>st</sup> March, 2010 Company had taken services of 28 consultant doctors.

**10. 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.

**11. Capital Structure**

The authorised Share Capital of the Company is Rs.7.00 Crore divided in 70 Lacs Equity Shares of Rs10.00 each.



**12. 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 electric form with any Depository Participant (DP) with whom the Members/ Investors have their depository account.

**13. 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, exception, invitation, offer, etc. within the meaning of applicable securities, laws and regulations.

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 and incidental factors.

**BY THE ORDER OF THE BOARD**

**PLACE: JAIPUR  
DATE: 03-08-2010**

**(Dr. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR**

**(GANPAT RAI SHARMA)  
CHAIRMAN**

### CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-2010

The Report on corporate Governance is pursuant to Clause 49 of the listing agreement entered into with the Stock Exchanges and forms a part of the Report of the Board of Directors. The Company has complied with the applicable requirements of the Clause 49 of the Listing Agreement.

#### 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 attaches equal importance to both the ends- the result sought to be secured and methods used to achieve them. The Company has always maintained its financial principles of Corporate Governance that of integrity, Transparency and fairness.

The Company believes while and 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 overcome critical areas. The Company is aiming at efficient conduct of the business in meeting its obligation to the shareholders.

#### 2. **BOARD OF DIRECTORS**

##### (a) **Composition 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. This year Company changed the structure of its Board of Directors to infuse more professionalism in its Board. Now the Board consists of 7 Directors 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 3 Independent Directors.

Category	Name of Director	No. of Directors
Chairman Non-Executive	Mr. Ganpat Rai Sharma	1
Others Non-Executive, Independent	Dr. Ashok Agarwal Mr. J.N. Pathak Mr. Subhash Chand Jain	3
Managing Director Executive	Dr. Shailendra Kumar Sharma	1
Other Executive Director	Mr. Karan Sharma	1
Other Non Executive Director	Mr. Rajesh Sharma	1
Total		7

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 transaction with the company, its promoters, management or its subsidiaries, which in judgement of the Board may affect independence of the judgement of the directors and has not been an executive of the Company in the immediately preceding three financial years. The company has not had any pecuniary relationship or transaction with any of the Non- Executive Directors during the year under review.

**(b) Board Meeting**

The board met Seven times during the financial year 2009-2010. The interval between any two successive meetings did not exceed four months. Board meetings were held on 24<sup>th</sup> April, 2009, 30<sup>th</sup> June 2009, 27<sup>th</sup> July 2009, 29<sup>th</sup> October 2009, 10<sup>th</sup> November 2009, 28<sup>th</sup> January 2010 and 8<sup>th</sup> February, 2010 and AGM for the year 2008-2009 was held on 29<sup>th</sup> September 2009.

The information as required under Annexure 1A to clause 49 of the Listing Agreement is being regularly placed before the Board. The Board also reviews the declaration made by the Managing Director and Executives of the Company regarding compliance with all laws applicable to the Company on a quarterly basis.

Attendance of each Director at the Board of Directors Meeting during the year and at last Annual General Meeting, the number of Directorships and Committee memberships held by them in domestic public companies as at March 31, 2010 are as follows:-

Name of Directors	Board Meeting		Whether attended AGM held on 29 <sup>th</sup> September, 2009	No. of Directorships in Domestic Public Companies (including this Company)		No. of Committee Memberships in Domestic Public Companies (including this Company)	
	Held	Attended		As Chairman	As Director	As Chairman	As Member
Sh. Ganpat Rai Sharma	7	6	YES	1	0	2	1
Dr. Shailendra Kr. Sharma	7	7	YES	-	1	-	1
Dr. Ashok Agarwal	7	5	YES	-	5	1	1
J.N. Pathak	7	5	NO	-	1	-	2
Sh Subhash Jain	7	2	NO	-	1	-	4
Sh Rajesh Sharma	7	0	NO	-	1	1	-
Mr. Karan S harma	7	0	NO	-	1	-	-

**(c) Information supplied to the Board among others**

The Board has complete access to all information with the company. Interalia, 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 the 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 resource 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 such 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 compliances 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-**

The constitution of audit committee is in confirmation with the requirements of section 292(A) of the Companies Act, 1956 and also as per the requirements of Clause 49(II) (A) of the listing agreement. The Audit Committee of the Company consists of 4 Directors; Shri J.N. Pathak, Shri Ganpat Rai Sharma and Shri Ashok Agarwal and Shri Subhash Chand Jain., all being Non-Executive. The Committee is chaired by Shri Ashok Agarwal an Independent Director and Ms Anupriya Saxena is nominated as Compliance Officer. All the members of the audit committee are financially literate and majority of them are having accounting or related financial management expertise.

The Audit Committee functions with following objectives:

1. To provide directors and oversee comprehensively the operation of internal and external audit functions and provides financial reporting.
2. To review the internal control systems with special emphasis on the accounting system, its quality and its effectiveness in the terms of follow up.
3. To recommend appointment/removal and remuneration of Statutory Auditors.
4. To discuss with the statutory Auditors and finalization of Annual Accounts.
5. 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 met five times during the financial year 2009-10 on 24<sup>th</sup> April 2009, 30<sup>th</sup> June 2009, 27<sup>th</sup> July 2009, 29<sup>th</sup> October 2009, and 28<sup>th</sup> January 2010. No member was absent from the Committee Meeting without taking leave of absence.

Dr. Shailendra Kumar Sharma, Managing Directors was present at the meetings of the Audit Committee. Representative of the Statutory Auditors are invited to the meetings as and when required. The Company Secretary acts as the Secretary of the Audit Committee.

### 4. **SHAREHOLDER/INVESTORS GRIEVANCE COMMITTEE-**

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

During the Financial Year 2008-2009, the committee met two times on 31<sup>st</sup> October, 2009 and 31<sup>st</sup> March, 2010.

### 5. **REMUNERATION COMMITTEE-**

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing Director and directors based on industry benchmarks, the company's performance and responsibility shouldered, performance track record of the 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

During the year the committee met two times on 30<sup>th</sup> June, 2009 and 31<sup>st</sup> October, 2009 and all the members of the committee were present at the meeting. The aggregate value of Managerial Remuneration and professional fees paid for the year ended 31<sup>st</sup> March, 2010 to Managing Director Dr. Shailendra Kr. Sharma is Rs 600000/-. The Company pays sitting fees to the non-executives directors.

#### **6. SHARE TRANSFER COMMITTEE:**

The Share Transfer Committee has been constituted to avoid delays in Share Transfer Process. The Composition of the Remuneration Committee is as follows:

1. Shri Ganpat Rai Sharma
2. Shri Subhash Jain
3. Dr. Shailendra Kumar Sharma

During the year the committee met thrice on 20<sup>th</sup> August, 2009; 25<sup>th</sup> February, 2010 and 18<sup>th</sup> March, 2010 and all the members were present at the meeting.

#### **7. 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 Resdution Passed
Annual General Meeting	29.09.2008	Shama Agriculture Farm, Takai Ki Chowki, Kalwad Raod, Jaipur	No
Annual General Meeting	29.09.2009	Shama Agriculture Farm, Takai Ki Chowki, Kalwad Raod, Jaipur	Yes
Annual General Meeting	28.09.2007	Shama Agriculture Farm, Takai Ki Chowki, Kalwad Raod, Jaipur	No

- ii) No postal ballots 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

#### **8. DISCLOSURES:**

- (a) **Related party transaction:** During the year under review, besides the transaction reported as specified in Accounting Standard-18 issued by the Institute of Chartered Accountants of India in the Notes to the Accounts, there are no other material related party transaction of the Company with its promoters, Directors or the management and their relatives. These transactions do not have any potential conflict with the interest of the Company at large. The material related party transactions are placed before the audit committee and Board of Directors periodically. Further



there are no material individual transactions that are not in normal course of business or not on an arm's length business.

- (b) **Disclosure of Accounting Treatment:** The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any accounting standard.
- (c) **Risk Management:** The Risk Management of the Company is overseen by the Senior Management and the Board at various levels:  
Business Risk: The Board oversees the Risks which are inherent in the business pursued by the Company. The intervention is through business plans and projects and policies.  
Operational Risk: These are being mitigated by internal policies and procedures.  
Financial Risk: These risks are addressed on an ongoing basis by Auditors and Accounts department. The ERP implementation has helped in automation of controls and exceptional reporting. Internal Controls are being continuously reviewed for effectiveness by internal and statutory auditors.
- (d) **Disclosure by Senior Management:** Senior Management has made disclosure to the Board to the Board relating to all material financial and commercial transaction stating that they did not have personal interest, that could result in a conflict with the interest of the Company at large.
- (e) **CEO/CFO Certification:** The Managing Director has certified to the Board in accordance with the Clause 49(v) of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended March, 31st 2010, which is annexed hereto.
- (f) **Details of Non-Compliance:** There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other Statutory Authority except in the financial year 2008-09. Company and the Managing Director had paid a fine of Rs. 2000 each under the order of Company Law Tribunal passed on 27.01.2010 for the late filing of Annual Return with the Registrar of Companies, Rajasthan.
- (g) **Secretarial Audit:** Pursuant to SEBI (Depositories and participants) Regulation 1996 a qualified Chartered Accountant carried out the secretarial Audit to reconcile the total admitted capital with the National Securities Depositories limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The Audit confirms the 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.

Pursuant to clause 47(c) of the Listing Agreement with the Stock Exchange, certificate on half yearly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.

**9. MEANS OF COMMUNICATION:**

Half Yearly report sent to each household of shareholders	:	No, the financial results are published in the News papers, as required under listing agreement.
Quarterly results	:	-do-
Website, where results are posted	:	The Company currently does not have a website
Website for investor complaints	:	Pursuant to the amended listing agreement with the Stock Exchange clause 47(f) has been inserted for an exclusive e-mail ID for redressal of Investor Grievances. Accordingly, the Company has created

an exclusive ID [sharma4gr@gmail.com](mailto:sharma4gr@gmail.com) for this purpose.  
 Newspapers in which results are normally published : Daily News and Financial Express  
 Whether Management Discussion and Analyses is a part of the Annual Report : Yes

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

**10. GENERAL SHAREHOLDER INFORMATIONS:**

AGM: Date, Time Venue	-	Wednesday, September 29 <sup>th</sup> 2010 at 3.00 p.m. at SHARMA AGRICULTURE FARM, TAKIA KI CHOWKI, KALWAD ROAD, JHOTWARA JAIPUR.
Financial Year	-	April 1, 2009 to March 31, 2010
Directors seeking reappointment	-	As required under clause 49 (IV) (G), particulars of Directors seeking reappointment are given in the Annexure to the Notice of the Annual General Meeting to be held on Sep 29, 2010.
Book Closure Date	-	22 <sup>nd</sup> September 2010 to 29 <sup>th</sup> September, 2010
Dividend	-	In view of Marginal profit during the year under review, the Board of Directors decided not to recommend any dividend on the Equity Shares of the Company.
Financial Calendar Period	-	Board Meeting to approve quarterly financial results
- Quarter ending June 30 <sup>th</sup> , 2010	-	On or before 14 <sup>th</sup> August, 2010
- Quarter ending September 30 <sup>th</sup> , 2010	-	On or before 14 <sup>th</sup> November, 2010
- Quarter ending December 31 <sup>st</sup> , 2010	-	On or before 14 <sup>th</sup> February, 2011
- Quarter ending March 31 <sup>st</sup> , 2011	-	On or before 31 <sup>st</sup> May, 2011
Registered Office of the Company	-	Jaipur Hospital, Near SMS Stadium, Lal Kothi, Jaipur
Listing of Equity Shares on Stock Exchange	-	Bombay Stock Exchange Phiroze Jeejeebhoy Towers. Dalal Street, Fort Mumbai-400001
Listing Fees	-	Listing fees as prescribed have been paid to the Stock Exchange up to March, 2011.
Stock Code	-	Bombay Stock Exchange Limited - 514548
ISIN No. of the Company's Equity Shares	-	INE465H01012
Share Registrar and Transfer Agent	-	Beetal Financial & Computer Services P. Ltd., Beetal House, 3rd Floor, 99 Madangir Behind Local Shopping Centre, Near Dada Harsukhdas Mandir New Delhi-110062

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2009-2010

**Share Transfer System:** Transfer of Shares in physical form has been delegated by the Board to its Share Transfer Committee to facilitate speedy service to the Shareholders. Shares sent in physical form are registered by the RTA within one month of the receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories i.e. National Securities Depository Ltd (NSDL) and Central Depository Services Limited (CDSL) within 20 days.

At 31<sup>st</sup> March, 2010 4 requests for Dematerialization was pending. However none of these were pending beyond 30days.

## DISTRIBUTION OF SHARES ACCORDING TO SIZE, CLASS AND CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2010

No of Equity Shares Held	No. of Shareholders	Percentage	No. of Shares	Percentage
1-5000	3542	95.22	5,48,500	16.70
5001-10000	112	3.01	1,07,900	3.28
10001-20000	29	0.78	44,600	1.36
20001-30000	3	0.08	7,400	0.22
30001-40000	-	-	-	-
40001-50000	5	0.13	25,000	0.76
50001-100000	4	0.11	24,800	0.76
100000 & above	25	0.67	25,25,600	76.92
<b>Grand Total</b>	<b>3720</b>	<b>100</b>	<b>32,83,800</b>	<b>100</b>

## SHAREHOLDING PATTERN AS ON MARCH 31, 2010

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

• TOP TEN SHAREHOLDERS OF THE COMPANY

S.No.	Name of the Shareholders	Total No. of Shares	Percentage of Shareholding
1	SHARMA HOSPITALS PRIVATE LIMITED	670000	20.42
2	Dr. SHAILENDRA KUMAR SHARMA	412200	12.55
3	GANPATI P LAST FEB P. LTD	290900	8.86
4	SHARMA NURSING HOME & BONE HOSPITAL P.LTD	182500	5.56
5	Mrs. MAYA SHARMA	160800	4.89
6	KSHITIZ ENTERPRISED P. LTD	150000	4.59
7	T.C.I. BHORUKA PROJECT LTD.	100000	3.05
8	Mrs. MADHULIKA SHARMA	83800	2.55
9	Mr. BRIZ MOHAN SHARMA	62500	1.89
10	Mrs. MANISHA SHARMA	60000	1.83

□ 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 Depositories Limited (NSDL) and Central Depository Services Limited (CDSL). Shareholder can open account with any of the depository participants registered with any of these depositories. As on 31<sup>st</sup> March, 2010 about 0.59% of the Company's Shares were held in dematerialized form.

□ ADDRESS FOR CORRESPONDENCE:

Sharma East India Hospitals & Medical Research Limited  
 Jaipur Hospital,  
 Lal Kothi, Near S.M.S. Stadium,  
 Tonk Road, Jaipur-302015  
 Tel: 91-141-2742266/ 2742619/ 2741465 Fax No 91-141-2742472  
 Email: [jaipurhospital\\_lalkothi@rediffmail.com](mailto:jaipurhospital_lalkothi@rediffmail.com)

**11. NON MANDATORY REQUIREMENTS:**

The status of compliance of Non-Mandatory requirements under clause 49:

- The Board:** No separate office is maintained for Non-Executive Chairman. Further, all expenses incurred in the performance of duties by the Non-Executive Chairman are reimbursed.
- Remuneration Committee:** The Company has constituted Remuneration Committee to recommend appointment/re-appointments of Managing Director and Whole-Time Directors and to recommend /review remuneration of Managing Director, Whole-Time Directors.

Remuneration Committee comprises of three Non-Executive Directors. All the members were present in the meetings of the Remuneration Committee held on June 30, 2009 and October 1, 2009.

3. **Shareholders Communication:** 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. Beside this the financial results are published in newspaper having wide circular in Rajasthan.
4. **Whistle Blower Policy:** Company does not have any Whistler Blower Policy.
5. **Audit Qualifications:** During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of un-qualified financial statements.
6. **Training of Board Members:** The Board of Directors of Company is mainly comprised of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with the changes in the national and global economy and legislation.
7. **Mechanism for Evaluating Non-Executive Board Members:** Company has not adopted a policy for evaluation of Non-Executive Board Members.

**BY THE ORDER OF THE BOARD**

**PLACE: JAIPUR**  
**DATE: 03-08-2010**

**(Dr. SHAILENDRA KUMAR SHARMA)**  
**MANAGING DIRECTOR**

**(GANPAT RAI SHARMA)**  
**CHAIRMAN**

**CEO/CFO Certification**

To,  
The Board of Directors,  
Sharma East India Hospitals & Medical Research Limited.

I, Dr. Shailendra Kumar Sharma, Managing Director certify that:

- (A) I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2010 and that to the best of our knowledge and belief
- (I) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - (II) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and "belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have take nor propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee that:
- (I) There has not been any significant change in internal control over financial reporting during the year under reference;
  - (II) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (III) There has not been any instance during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 03-08-2010  
Place: Jaipur

**Dr. SHALIENDRA KUMAR SHARMA  
(MANAGING DIRECTOR)**

**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 31<sup>st</sup> March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliances of the conditions of Corporate Governance are the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 clarify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We stated that no investor grievance is pending for a period exceeding one month against the Company as at March 31, 2010 as per the records maintained by the Shareholders/Investors Grievance Committee.

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

**For GOPAL SHARMA AND COMPNAY  
CHARTERED ACCOUNTANTS**

**(VIRENDRA BHURAT)  
PARTNER**

PLACE: JAIPUR  
DATE: 03-08-2010

**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 31<sup>st</sup> March, 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto 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 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 & 5 of the said order to the extent applicable.
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 & 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 & 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 to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India:
    - i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
    - ii) In so far as it relates to the Profits & Loss Account, of the **Profit** of the Company for the year ended on that date; and
    - iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
  - f) On the basis of the written representation received from the directors as on 31<sup>st</sup> March, 2010 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> march, 2010 from being appointed as director in terms of section 274 (1)(g) of the Companies Act, 1956;

**GOPAL SHARMA AND COMPANY**  
**CHARTERED ACCOUNTS**  
**(VIRENDRA BHURAT)**  
**PARTNER**  
**Membership No. 71964**

**Place: Jaipur**  
**Date: 31-05-2010**



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**ANNEXURE TO THE AUDITOR'S REPORT**

**Referred to in paragraph (2) 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.
  - (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 the 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 the Companies, firms or other related parties covered in the register maintained under section 301 of the Companies Act, 1956 and as such clause (iii) (a) to (iii) (d) are not applicable.
  
4. In our opinion and according to the information and explanation 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 explanation given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into the register under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanation 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 500000/- or more in respect of any party.

6. In our opinion and according to the information and explanation 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 on 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. According to the information and explanation given to us in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Investor education Protection Fund, Employee's State Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty, Cess and other statutory dues applicable to it with the appropriate authorities.
  - (b) 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 material statutory dues in arrears as on 31<sup>st</sup> march, 2010 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 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 the financial institutions and banks.
12. In our opinion and according to the information and explanation 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. In our opinion the Company is not a Chit Fund or a Nidhi or Mutual Fund/Societies. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 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 explanation given to us, the Company has not given any guarantees for loans taken by others from Banks and Financial Institutions.

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2009-2010

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 purpose for which loans were obtained.
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 be used during the year for long term purpose and vice versa.
18. The Company has not made any preferential allotment of shares to parties or companied 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 explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**GOPAL SHARMA AND COMPANY  
CHARTERED ACCOUNTS**

**(VIRENDRA BHURAT)  
PARTNER  
Membership No. 71964**

**Place: Jaipur  
Date: 31-05-2010**

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	SCHEDULE	AS AT 31.3.2010 Rupees	AS AT 31.03.2009 Rupees
<b>SOURCE OF FUNDS</b>			
<b>SHARE HOLDER'S FUNDS</b>			
Share Capital	A	4,15,74,750	4,15,74,750
Reserves & Surplus	B	47,91,220	34,78,420
<b>LOAN FUNDS</b>			
Secured Loans	C	8,46,22,663	9,54,72,214
Deferred Tax Liability (Net)		28,16,541	27,13,422
	<b>TOTAL</b>	<b>13,38,05,174</b>	<b>14,32,38,806</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block		14,80,07,058	14,32,47,307
Less : Depreciation		6,46,23,708	6,17,03,854
Net Block	D	8,33,83,350	8,15,43,453
<b>INVESTMENTS</b>			
	E	1,88,30,490	1,88,30,490
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
	F	7,12,45,655	8,97,78,211
Less : Current Liabilities & Provisions	G	3,96,54,321	4,69,13,348
	<b>TOTAL</b>	<b>13,38,05,174</b>	<b>14,32,38,806</b>
Notes forming part of the Accounts	N		
Significant Accounting Policies	O		

As per our report of even date  
FOR **GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)  
CHAIRMAN

(VIRENDRA BHURAT)  
PARTNER

(ANUPRIYA SAXENA)  
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2009-2010****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

	SCHEDULE	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
<b>I INCOME</b>			
Professional Receipts	H	8,81,48,956	7,33,23,841
Other Miscellaneous Receipts	I	29,49,717	14,71,769
<b>TOTAL</b>		<b>9,10,98,673</b>	<b>7,47,95,610</b>
<b>II EXPENSES</b>			
Staff Expenses	J	2,10,76,223	1,81,81,460
Share of Consultant Doctors		1,48,98,118	1,37,47,184
Establishment Expenses	K	76,39,169	56,34,057
Other Expenses	L	1,12,33,829	65,45,421
Drugs & Other Consumables Consumed		15,51,5163	1,37,73,742
Interest	M	89,38,568	91,33,504
Depreciation		96,11,569	71,61,003
<b>TOTAL</b>		<b>8,89,12,639</b>	<b>7,41,76,371</b>
<b>III PROFIT BEFORE TAX</b>		<b>21,86,034</b>	<b>6,19,239</b>
Provision for Taxation		(7,70,115)	(2,37,492)
<b>IV PROFIT AFTER TAX</b>		<b>14,15,919</b>	<b>3,81,747</b>
Add : Profit brought forward from Previous Year		34,78,420	35,15,016
Add/Less : Deferred Tax (NET)		(1,03,119)	(4,18,343)
<b>V SURPLUS CARRIED TO BALANCE SHEET</b>		<b>47,91,220</b>	<b>34,78,420</b>

As per our report of even date FOR AND ON BEHALF OF BOARD OF DIRECTORS  
**FOR GOPAL SHARMA & COMPANY**  
 CHARTERED ACCOUNTANTS

(GANPAT RAI SHARMA)  
 CHAIRMAN

(VIRENDRA BHURAT) (ANUPRIYA SAXENA) (DR. SHAILENDRA KUMAR SHARMA)  
 PARTNER COMPANY SECRETARY MANAGING DIRECTOR

PLACE: JAIPUR  
 DATE: 31.05.2010

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
<b>SCHEDULE -A</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
70,00,000 Equity Shares of Rs. 10/- each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
<b>ISSUED</b>		
51,49,000 Equity Shares of Rs. 10/- each	<u>5,14,90,000</u>	<u>5,14,90,000</u>
<b>SUBSCRIBED &amp; PAID UP</b>		
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>
<b>TOTAL</b>	<u><b>4,15,74,750</b></u>	<u><b>4,15,74,750</b></u>

**SCHEDULE-B**
**RESERVE AND SURPLUS**
**Profit & Loss Account**

Opening Balance as per last Balance Sheet

34,78,420

35,15,016

Add : Profit during the year

21,86,034

6,19,239

56,64,454
41,34,255

Less : Tax Provision.

7,70,115

(2,37,492)

48,94,339

38,96,763

Add/Less : Deferred Tax (NET)

(1,03,119)

(4,18,343)

**TOTAL**
**47,91,220**
**34,78,420**

 As per our report of even date  
**FOR GOPAL SHARMA & COMPANY**  
 CHARTERED ACCOUNTANTS

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**
**(GANPAT RAI SHARMA)**  
 CHAIRMAN

**(VIRENDRA BHURAT)**  
 PARTNER

**(ANUPRIYA SAXENA)**  
 COMPANY SECRETARY

**(DR. SHAILENDRA KUMAR SHARMA)**  
 MANAGING DIRECTOR

 PLACE: JAIPUR  
 DATE: 31.05.2010

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2009-2010****SCHEDULES FORMING PART OF THE ACCOUNTS**

	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
<b>SCHEDULE -C</b>		
<b>SECURED LOANS</b>		
<b>(a) TERM LOANS</b>		
<b>(i) From Financial Institutions</b>		
Kotak Mahindra Primus Ltd. III	1,28,305	7,43,903
Kotak Mahindra Primes Ltd. A/c (1V)	7,41,444	
<b>(ii) From Banks</b>		
Demand Loan From Banks	8,37,52,914	9,47,28,311
<b>TOTAL</b>	<b>8,46,22,663</b>	<b>9,54,72,214</b>

**Notes :**

1. Term Loan 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 and SBI are secured by Fixed Deposits of the Company.

As per our report of even date  
**FOR GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**(GANPAT RAI SHARMA)**  
CHAIRMAN

**(VIRENDRA BHURAT)**  
PARTNER

**(ANUPRIYA SAXENA)**  
COMPANY SECRETARY

**(DR. SHAILENDRA KUMAR SHARMA)**  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**SCHEDULES FORMING PART OF THE ACCOUNTS**
**SCHEDULE-D**
**FIXED ASSETS**

Description of Fixed Assets	Gross Block as on 01.04.09	Addition During the year	Deduction During the year	Gross Block as on 31.03.10	DEPRECIATION				Net Block as on 31.03.10
					Total as on 01.04.09	Addition During the year	Deduction During the year	Total as on 31.03.10	
Land	3,07,73,705	20,01,515	0	3,27,75,220	0	0	0	0	3,27,75,220
Building	2,74,56,671	45,66,298	0	3,20,22,969	1,66,53,534	6,89,295	0	1,73,42,829	1,46,80,140
Plant & Machinery	7,33,16,561	36,03,279	65,50,000	7,03,69,840	3,65,27,010	78,12,988	58,37,907	3,85,02,091	3,18,67,749
Furniture & Fixture	62,32,491	10,16,775	0	72,49,266	47,85,754	4,16,922	0	52,02,676	20,46,590
Vehicles	39,78,110	9,40,000	9,28,066	39,90,044	24,36,477	5,30,475	8,53,808	21,13,144	18,76,900
Computers	14,89,769	1,09,950	0	15,99,719	13,01,079	1,61,889	0	14,62,968	1,36,751
<b>TOTAL</b>	<b>14,32,47,307</b>	<b>1,22,37,817</b>	<b>74,78,066</b>	<b>14,80,07,058</b>	<b>6,17,03,854</b>	<b>96,11,569</b>	<b>66,91,715</b>	<b>6,46,23,708</b>	<b>8,33,83,350</b>
Previous Year Figure	11,10,84,708	3,21,62,599	0	14,32,47,307	5,45,42,851	71,61,003	0	6,17,03,854	8,15,43,453

As per our report of even date  
**FOR GOPAL SHARMA & COMPANY**  
 CHARTERED ACCOUNTANTS

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**(GANPAT RAI SHARMA)**  
 CHAIRMAN

**(VIRENDRA BHURAT)**  
 PARTNER

**(ANUPRIYA SAXENA)**  
 COMPANY SECRETARY

**(DR. SHAILENDRA KUMAR SHARMA)**  
 MANAGING DIRECTOR

PLACE: JAIPUR  
 DATE: 31.05.2010



SCHEDULES FORMING PART OF THE ACCOUNTS

	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
<b>SCHEDULE -E</b>		
<b>INVESTMENTS</b>		
<b>(1) LONG TERM - NON TRADE</b>		
<b>A. UNQUOTED INVESTMENT</b>		
2000 Equity Shares of Kshitij Enterprises (P) Ltd. @ 100/- each fully paid up (Valued at Cost)	2,00,000	2,00,000
2000 Equity Shares of Sharma Nursing Home & Bone Hospital (P) Ltd. @ 100/- each fully paid up (Valued at Cost)	2,00,000	2,00,000
4000 Equity Shares of Sharma Hospitals (P) Ltd. @ 100/- each fully paid up (Valued at Cost)	4,00,000	4,00,000
4000 Equity Shares of Gaurav Sharma Enterprises (P) Ltd. @ 100/- each fully paid up (Valued at Cost)	4,00,000	4,00,000
<b>B. QUOTED INVESTMENT</b>		
2,90,900 Equity Shares @ 10/- each of Ganpati Plast Fab. Ltd. Fully Paid-up (Valued at Cost)	19,46,490	19,46,490
<b>(2) IMMOVABLE PROPERTIES</b>		
Land at Kalwar Road, Jhotwara	1,56,84,000	1,56,84,000
<b>TOTAL</b>	<b>1,88,30,490</b>	<b>1,88,30,490</b>

\* Aggregate Face Value of Quoted Shares of Ganpati Plast Fab. Ltd. is Rs. 29.09 Lacs. Such Share 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 date  
FOR **GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)  
CHAIRMAN

(VIRENDRA BHURAT)  
PARTNER

(ANUPRIYA SAXENA)  
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**SCHEDULES FORMING PART OF THE ACCOUNTS**

	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
<b><u>SCHEDULE -F</u></b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>(A) CURRENT ASSETS</b>		
i) Interest Accured but not due on F.D.R.	0	11,90,901
ii) Inventories (Spare Parts and Stores) (Taken as valued and Certified by the Management)	6,65,171	7,06,202
iii) Sundry Debtors (Un-secured and considered good)		
a) Outstanding for a period exceeding six months	14,76,694	
b) Others	40,05,926	54,82,620
iv) Cash & Bank Balances		34,54,240
(a) Cash-in-hand	4,23,906	1,88,571
(b) With Schedule Banks		
In Current Account	85,42,018	1,66,438
In Fixed Account	0	1,76,50,000
<b>TOTAL A</b>	<b><u>1,51,13,715</u></b>	<b><u>2,33,56,352</u></b>
<b>(B) LOANS &amp; ADVANCES</b>		
(Un-secured and considered good)		
i) Advance to Staff	21,15,739	21,26,750
ii) Advance for Capital Expenditure	4,43,99,622	5,84,67,609
iii) Other Advances	39,32,921	46,04,281
iv) Adv. to Consultant Doctors	56,83,658	12,23,219
<b>TOTAL B</b>	<b><u>5,61,31,940</u></b>	<b><u>6,64,21,859</u></b>
<b>TOTAL A+B</b>	<b><u>7,12,45,655</u></b>	<b><u>8,97,78,211</u></b>

As per our report of even date  
FOR **GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)  
CHAIRMAN

(VIRENDRA BHURAT)  
PARTNER

(ANUPRIYA SAXENA)  
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2009-2010****SCHEDULES FORMING PART OF THE ACCOUNTS**

<b>SCHEDULE -G</b>	<b>AS AT 31.03.2010</b>	<b>AS AT 31.03.2009</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(a) CURRENT LIABILITIES</b>		
Sundry Creditors for goods & expenses	14,23,464	21,61,696
Advance from Patients	13,46,954	13,13,371
Other Current Liabilities	3,68,83,903	4,34,38,281
<b>TOTAL</b>	<b>3,96,54,321</b>	<b>4,69,13,348</b>

**SCHEDULE-H****PROFESSIONAL RECEIPTS**

Accommodation Charges	1,56,35,481	1,16,89,105
Admission Registration Charges	6,58,526	2,67,508
Ambulance Charges	22,184	69,754
Consultation Charges	1,05,42,246	64,76,075
Internal Consultation Charges	16,87,562	30,27,616
Investigation Charges	8,00,385	23,47,651
Labour Room Charges	2,51,825	7,41,760
Operation Charges	3,72,80,306	3,22,74,068
Other Miscellaneous Charges	44,56,593	29,87,320
Pathological Charges	85,92,134	60,49,100
Physiotherapy Charges	39,534	1,86,033
Minor Procedure Charges	24,19,108	32,58,656
X-Ray Charges	35,14,840	39,49,195
CT Scan Charges	9,01,825	0
Disposable Charges	15,190	0
ECG Charges	1,06,825	0
ECHO Charges	3,53,348	0
Sonography Charges	8,46,324	0
TMT Charges	24,720	0
<b>TOTAL</b>	<b>8,81,48,956</b>	<b>7,33,23,841</b>

As per our report of even date  
**FOR GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**(GANPAT RAI SHARMA)**  
CHAIRMAN

**(VIRENDRA BHURAT)**  
PARTNER

**(ANUPRIYA SAXENA)**  
COMPANY SECRETARY

**(DR. SHAILENDRA KUMAR SHARMA)**  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**SCHEDULES FORMING PART OF THE ACCOUNTS**

<u>SCHEDULE -I</u>	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
<b>OTHER MISCELLANEOUS RECEIPTS</b>		
Interest on FDs (Net) (387529-245706)	1,41,823	8,03,273
Misc. Income	1,82,152	4,49,173
Conference Income	1,25,000	2,19,323
Profit on Sale of Fixed Assets	20,742	0
Rent Received	22,40,000	0
Rent Receivable	2,40,000	0
<b>TOTAL</b>	<b>29,49,717</b>	<b>14,71,769</b>

**SCHEDULE-J**
**STAFF EXPENSES**

Bonus	1,25,745	1,30,374
Employers Contribution to ESI	1,94,291	1,94,176
Employers P.F. Contribution	2,25,830	2,29,830
Gratuity	5,207	51,159
Manual Labour Charges	36,75,883	34,42,137
P.F. Adm. Charges	30,315	30,883
Salary	1,55,35,875	1,31,13,137
Security Expenses	7,99,344	6,47,244
Staff Welfare Expenses	4,83,733	3,42,520
<b>TOTAL</b>	<b>2,10,76,223</b>	<b>1,81,81,460</b>

**SCHEDULE-K**
**ESTABLISHMENT EXPENSES**

D.G. Set Oil, Petrol & Diesel	3,38,053	2,33,621
Electricity & Water Charges	35,70,016	20,14,072
Insurance Charges	1,26,296	1,10,246
Repairs & Maintenance (Other)	4,56,116	4,25,789
Repairs & Maintenance (P&M)	19,44,822	21,82,995
Repairs & Maintenance (Building)	12,03,866	6,67,334
<b>TOTAL</b>	<b>76,39,169</b>	<b>56,34,057</b>

As per our report of even date  
**FOR GOPAL SHARMA & COMPANY**  
 CHARTERED ACCOUNTANTS

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

(GANPAT RAI SHARMA)  
 CHAIRMAN

(VIRENDRA BHURAT)  
 PARTNER

(ANUPRIYA SAXENA)  
 COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)  
 MANAGING DIRECTOR

PLACE: JAIPUR  
 DATE: 31.05.2010

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2009-2010****SCHEDULES FORMING PART OF THE ACCOUNTS****SCHEDULE-L****AS AT 31.03.2010  
Rupees****AS AT 31.03.2009  
Rupees****OTHER EXPENSES**

Advertisement & Publicity	78,886	65,182
Audit Fees	1,20,000	1,20,000
Bank Charges	1,31,720	56,658
Bed Sheet Expenses	0	52,225
Conveyance Exp.	71,952	51,646
Directors Sitting Fees	9,800	12,400
Fringe Benefit	10,785	64,329
General Utility item consumed	3,75,710	3,33,443
Legal Expenses	11,66,570	6,81,054
Managerial Remuneration	6,00,000	6,00,000
Miscellaneous Expenses	5,78,019	3,59,036
Octroi, Freight & Cartage	3,815	895
Pathological Consumables consumed	25,16,885	10,53,219
Pathological Expenses	9,21,771	10,57,432
Printing & Stationery Consumed	5,75,116	4,97,456
Rebate & Discount	42,886	300
Rent	3,00,595	2,52,408
Telephone, Postage & Telegram	3,99,063	3,22,466
Vehicle Running & Maintenance	1,14,502	1,49,150
Washing Charges	3,29,505	3,11,047
X-Ray Film consumed	7,59,036	4,71,210
Loss on sale of Fixed Assets	2,12,093	0
Bad Debts	10,61,959	33,865
CT Scan Expenses	7,68,390	0
House Tax A/c	84,771	0
<b>TOTAL</b>	<b>1,12,33,829</b>	<b>65,45,421</b>

**SCHEDULE-M****INTEREST**

Interest on Fixed Term Loan	0	9,13,504
Interest on Line of Credit	88,69,044	0
Other Interest	69,524	0
(315230-245706)		
<b>TOTAL</b>	<b>89,38,568</b>	<b>91,33,504</b>

As per our report of even date  
**FOR GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**(GANPAT RAI SHARMA)**  
CHAIRMAN

**(VIRENDRA BHURAT)**  
PARTNER

**(ANUPRIYA SAXENA)**  
COMPANY SECRETARY

**(DR. SHAILENDRA KUMAR SHARMA)**  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**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 realization 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 the 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 license.
4. Provisions of clause 4-D of part-II of the schedule VI of the Companies Act, 1956 regarding the 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 Accountant of India (ICAI) has made Accounting Standards-Impairment of Assets-AS 28, mandatory for the accounting period commencing from 1<sup>st</sup> April, 2004 and the Company has carried comprehensive exercise to asses 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 to be enumerated since no commission is agreed to paid to the Directors,

(b) Managerial Remuneration includes	Current Year	Previous Year
Salary	6,00,000	6,00,000
Perquisites in cash or in kind	NIL	NIL
<b>TOTAL</b>	<b><u>6,00,000</u></b>	<b><u>6,00,000</u></b>

- 9 Auditor's Remuneration includes:

Audit Fees	1, 20,000	1, 20,000
<b>TOTAL</b>	<b><u>1,20,000</u></b>	<b><u>1,20,000</u></b>

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2009-2010

10. Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2010 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 GOPAL SHARMA & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)  
CHAIRMAN

(VIRENDRA BHURAT)  
PARTNER

(ANUPRIYA SAXENA)  
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**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 the 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.

(b) **Use of Estimates:**

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 recognized in the period in which the results are known/materialized.

**AS-2 Valuation of Inventories:**

As the Company has no manufacturing activities hence, inventories consists only 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 Reorganization**

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.

**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 of monthly payment to ESI, 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 is 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 of 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 issued 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 party transaction during the year except related 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 600000/- and professional fees

paid Rs. 8,09,101 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 (Brother's Wife)	Rs. 186000/-
Rajesh Sharma (Sister's Husband)	Rs. 90000/-
Karan Sharma (Son)	Rs. 180000/-

#### 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.)	1415919
No. of Equity Shares	32,83,800
Nominal Value of Shares	10
Earning Per Share (Rs.)	0.43

#### 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 31<sup>st</sup> March, 2010 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:

	<u>31.03.2010</u>	<u>31.03.2009</u>
(a) Deferred Tax Liability (DTL) (On account of Depreciation)	28,16,541	27,13,422
(b) Deferred Tax Assets (DTA)	NIL	NIL
(c) Net Deferred Tax Liability (NDTL) (A-B)	28,16,541	27,13,422
(d) Decrease/Increase in Net Deferred Tax Liability	1,03,119	4,18,343

#### AS-23 Accounting for investments in Associates

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

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

2009-2010

The Company has elected to publish its quarterly financial results 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 in joint Venture**

This Accounting Standard is not applicable.

## **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-30 Financial Instruments: Recognition and Measurement**

This Accounting Standard is not applicable.

## **AS-31 Financial Instruments: Presentation**

This Accounting Standard is not applicable.

As per our report of even date  
FOR **GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(GANPAT RAI SHARMA)  
CHAIRMAN

(VIRENDRA BHURAT)  
PARTNER

(ANUPRIYA SAXENA)  
COMPANY SECRETARY

(DR. SHAILENDRA KUMAR SHARMA)  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

	Year Ended 31.03.2010 Rupees	Year Ended 31.03.2009 Rupees
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX &amp; EXTRA ORDINARY ITEMS</b>	<b>21,86,034</b>	<b>6, 19,239</b>
<b>Adjustment for:</b>		
Depreciation	96,11,569	71, 61,003
Preliminary Expenses	NIL	NIL
Interest Received	(1,41,823)	(8, 03,273)
Interest Paid	89,38,568	91, 33,504
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>20,59,4348</b>	<b>1, 61, 10,473</b>
<b>Adjustment for:</b>		
Increase/dec. in Trade and other Receivables	94,52,440	(3,22,56,292)
Increase/ Decrease in Inventories	41,031	(55,030)
Increase/Dec. in Current Liabilities	(72,59,027)	3, 89, 42,599
<b>CASH GENERATION FROM OPERATIONS</b>	<b>2,28,28,792</b>	<b>66, 31,277</b>
Interest Received	1,41,823	8, 03,273
Interest Paid	(89,38,568)	(91, 33,504)
Taxes Paid (Net)	(7,70,115)	( 2,37,492)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>1,32,61,932</b>	<b>(85,67,723)</b>
Extra Ordinary Items	NIL	NIL
<b>(B) NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,32,61,932</b>	<b>(85,67,723)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	0.00	0.00
Purchase of Fixed Assets	(1,22,37,817)	(3,21,62,599)
Sale of Fixed Assets (Net of Depreciation)	7,86,351	0.00

**SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED****2009-2010**

	Year Ended 31.03.2010 Rupees	Year Ended 31.03.2009 Rupees
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<u>(1,14,51,466)</u>	<u>(3,21,62,599)</u>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/ Repayment of long term Borrowing	<u>(1,08,49,551)</u>	<u>1,52,38,951</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(1,08,49,551)</u>	<u>152,38,951</u>
<b>NET DECREASE/ INCREASE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>(90,39,085)</b>	<b>(2, 74,9621)</b>
Cash & Cash Equivalent Opening Balance	1,80,05,009	2, 07, 54,630
Cash & Cash Equivalent Closing Balance	89,65,924	1, 80, 05,009

**AUDITOR'S CERTIFICATE**

We have verified the above Cash Flow statement of SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED, derived from the Audited Financial Statements for the year ended 31<sup>st</sup>, March 2010 and found the same to be drawn in accordance therewith and also with the requirements of the Clause 32 of the Listing Agreement with the Stock Exchanges.

As per our report of even date  
**FOR GOPAL SHARMA & COMPANY**  
CHARTERED ACCOUNTANTS

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**(GANPAT RAI SHARMA)**  
CHAIRMAN

**(VIRENDRA BHURAT)**  
PARTNER

**(ANUPRIYA SAXENA)**  
COMPANY SECRETARY

**(DR. SHAILENDRA KUMAR SHARMA)**  
MANAGING DIRECTOR

PLACE: JAIPUR  
DATE: 31.05.2010

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I. Registration Details**
    

 State Code  

Balance Sheet Date

Date

Month

Year

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

Public Issue

Right Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Source of Funds

Paid - up Capital

Reserve and Surplus

Secured Loans

Deferred Tax Liability

Unsecured Loans

Application of Funds :

Net Fixed Assets

Investment

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

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

Turnover

Total Expenditure

+ - Profit/Loss Before Tax

+ - Profit/Loss After Tax

Earning Per Share

Dividend Rate%

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

Item Code No.

Product Description

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

Regd Office: JAIPUR HOSPITAL  
LAL KOTHI, NEAR S.M.S. STADIUM, TONK ROAD, JAIPUR-302015

## PROXY FORM

Regd. 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 **TWENTY-FIRST ANNUAL GENERAL MEETING** of the Company to be  
held at 3.00 P.M. on 29<sup>th</sup> September, 2010 and at any adjournment thereof. Signed  
at.....this.....day of.....2010.

Signature

Affix  
1 Rupee  
Revenue  
Stamp

Tear Here

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.

# SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

Regd Office: JAIPUR HOSPITAL  
LAL KOTHI, NEAR S.M.S. STADIUM, TONK ROAD, JAIPUR-302015

## ATTENDANCE SLIP

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

Full Name of Member.....

Regd. Folio No.....

(In Block Letters)

No. of Shares Held.....

Full Name of Proxy.....

(In Block Letter)

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

I hereby record my presence at the **Twenty-First Annual General Meeting** of the Company at 3.00 P.M. on .....the.....2010, at Sharma Agriculture Farm, Takia Ki Chowki, Kalwad Raod, Jhotwara, Jaipur.

Members/Proxy Signature

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

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

BOOK-POST

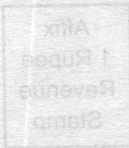
Regd Office: JAIPUR HOSPITAL  
LAL KOTHI, NEAR S.M.S. STADIUM, TONK ROAD, JAIPUR-302018

PROXY FORM

No. of Shares Held

Regd. Folio No.

A Member/Member of the Sharma East India Hospitals & Medical Research Limited hereby appoints  
to vote for me/us on behalf of the TWENTY-FIRST ANNUAL GENERAL MEETING of the Company to be  
held at 3.00 P.M. on 29<sup>th</sup> September, 2010 and at any adjournment thereof. Signed  
at this day of 2010



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.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

Regd Office: JAIPUR HOSPITAL  
LAL KOTHI, NEAR S.M.S. STADIUM, TONK ROAD, JAIPUR-302018

ATTENDANCE SLIP

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

Regd. Folio No.

Full Name of Member

No. of Shares Held

(in Block Letters)

Full Name of Proxy

(in Block Letters)

(To be filled in the Proxy stands instead of Member)

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

Ph. : 2361963, 2360528



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