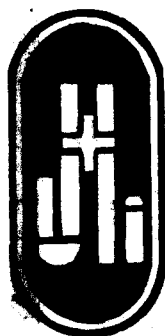


THIRTEENTH ANNUAL REPORT 2001-2002



Jaipur Hospital

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

REGISTERED OFFICE : LAL KOTHI, NEAR S.M.S. STADIUM, TONK ROAD, JAIPUR-302 015
PHONE : 742557, 742619, 42266, 740936, 741465



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SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

BOARD OF DIRECTORS

CHAIRMAN

SHRI GANPAT RAI SHARMA

MANAGING DIRECTOR

DR. SHAILENDRA KUMAR SHARMA

DIRECTORS

SHRI SUBHASH JAIN

SHRI RAJESH SHARMA

SHRI J.N. PATHAK

DR. ASHOK AGARWAL

COMPANY SECRETARY

SMT. MADHU RATHI

AUDITORS

**M/S. SHARMA ASHWANI & CO.
CHARTERED ACCOUNTANTS
JAIPUR.**

BANKERS

PNB & SBBJ BANK

REGISTERED OFFICE

**JAIPUR HOSPITAL
LAL KOTHI, NEAR S.M.S. STADIUM
TONK ROAD, JAIPUR-302 015
PHONE : 742557, 742619, 742266,
740936, 741465**

THIRTEENTH ANNUAL GENERAL MEETING

**SATURDAY THE 28TH SEPTEMBER, 2002
AT SHARMA AGRICULTURE FARM
TAKIA KI CHOWKI, KALWAD ROAD,
JHOTWARA, JAIPUR
AT 3.00 P.M.**


**Jaipur
Hospital**
THIRTEENTH ANNUAL REPORT 2001-2002
NOTICE :

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

DATE : 28TH SEPTEMBER, 2002

DAY : SATURDAY

TIME : 3.00 P.M.

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

to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002, the Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Shri J.N. Pathak, who retires by rotation and is eligible, for reappointment.
3. To appoint a Director in place of Dr. Ashok Agarwal, who retires by rotation and is eligible, for reappointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration

SPECIAL BUSINESS :
5. As an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of section 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 including schedule XIII of the said Act, as amended up to date, and subject to the approval of the shareholders in General Meeting, Dr. Shailendra Kumar Sharma, Managing Director of the Company, be and is hereby re-appointed as Managing Director of the Company for a further period of 5 years from 16/3/02 on a remuneration and the terms and conditions as set out in the explanatory statement and contained in the agreement, a draft of which is placed before the meeting and initialled by the chairman.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The Explanatory Statement setting out material facts in respect of the business under item no. 5 is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from 21st September, 2002 to 28th September 2002 both days inclusive.
4. Members are requested to notify the change in their address to the company and always quote their Folio Numbers in all correspondence with the company.

PLACE : JAIPUR
DATE : 26TH JULY, 2002

BY ORDER OF THE BOARD

REGD. OFFICE :
JAIPUR HOSPITAL
LAL KOTHI, NEAR SMS STADIUM
TONK ROAD, JAIPUR-302 015

(MADHU RATHI)
COMPANY SECRETARY



THIRTEENTH ANNUAL REPORT 2001-2002

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

The Explanatory Statement Pursuant to section 173(2) of Companies Act, 1956 for item no. 5 is as under :

Item No. 5

Dr. Shailendra Kumar Sharma has been the Managing Director of the Company since 1991 and contributed significantly to the successful working of the Company. In view of his valuable experience and expertise, your directors feel that it will be in the Company's interest and benefit to have his association and gain from his wise counsel, therefore the Board at its meeting held on 15th March, 2002 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. 16.3.02. The term of reappointment and remuneration payable are as under :

1. A salary at the rate of 15,000/- P.M. w.e.f. 1/4/02.
2. The actual travelling expenses incurred by the Managing Director in connection of the Company.
3. The actual entertainment expenses reasonably incurred by the Managing Director for the business of the Company.
4. The Managing Director shall be entitled to the use of the 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 Managing Director will be entitled to participate in any provident fund and gratuity funds for scheme for the employees, which the Company may establish.
6. The Managing Director will be entitled for children education allowance subject to maximum of Rs. 5000/- per month per child or actual expenses incurred whichever is less, such allowance is admissible upto a maximum of two children.
7. The Board of Directors shall have the authority to alter or vary the terms of re-appointment and remuneration, including, perquisites payable to Dr. Shailendra Kumar Sharma within the over all limits of schedule XIII of the Companies Act, 1956.

The Board of Directors commends the resolution for your approval. Shri Ganpat Rai Sharma, chairman being father of Dr. Shailendra Kumar Sharma and Shri Rajesh Sharma being brother in law of Dr. Shailendra Kumar Sharma may be deemed concerned or interested in the said resolution.

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

PLACE : JAIPUR
DATE : 26TH JULY, 2002

BY ORDER OF THE BOARD

REGD. OFFICE :
JAIPUR HOSPITAL
LAL KOTHI, NEAR SMS STADIUM
TONK ROAD, JAIPUR-302 015

(MADHU RATHI)
COMPANY SECRETARY

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED**DIRECTOR'S REPORT****Dear Shareholders,**

The Directors are pleased to present their Thirteenth Annual Report together with the Audited Statement of Accounts for the period ended on 31st March, 2002.

	(Rs. in Lacs)	
	For the year ended on	
	31.03.2002	31.03.2001
1. FINANCIAL RESULTS		
Professional Receipts & Other Income	319.50	332.69
Profit before Interest,		
Depreciation & Tax	60.13	70.21
Less : Interest	9.15	14.38
Operating Profit	50.98	55.83
Less : Depreciation	43.84	54.43
Net Profit Before Tax	7.14	1.40
Less : Provision for Deferred Taxation	1.75	NIL
Net Profit after Tax	5.39	1.40
Add : Profit brought forward from Previous Year	19.80	18.40
Balance available for Appropriation	25.19	19.80
Appropriations	NIL	NIL
Surplus carried forward to Balance Sheet	25.19	19.80

2. PERFORMANCE OF THE COMPANY :

During the year under review, the Company has achieved total receipts of Rs. 319.50 Lacs. Net profit of the Company during the year is Rs. 7.14 Lacs as against 1.40 Lacs in previous year, making an increase of 410%.

3. DIVIDEND :

In view of paucity of funds and to conserve the available resources, your Directors do not recommend any payment of dividend for the year 2001-2002.

4. FUTURE PROSPECTUS :

The Company has started a Nursing School namely Jaipur Hospital School of Nursing & Medical Training Centre (a unit of Sharma Memorial Hospital & Research Institute) through a Trust with a capacity of 30 students annually.

As your Company is planning to set-up a Dental College in Jaipur, a land measuring 24,600 sq. yards at Shipra Path, Mansarovar, Jaipur has been identified and application has been moved in Rajasthan Housing Board for allotment. The necessary approvals from Government is still awaited.

5. FIXED DEPOSITS :

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

6. CORPORATE GOVERNANCE :

The Board of Directors supports the Broad principles of corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.



THIRTEENTH ANNUAL REPORT 2001-2002

COMPOSITION OF THE BOARD OF DIRECTORS :

The existing Board have total 6 Directors including one Managing Director, who is specialist in the area of Medical Science and rest are non-wholetime Director who bring a wide range of skills and experience to the Board. The Composition of the Board is as under.

Brief Resume

1. Sh. Ganpat Rai Sharma	- Promoter, Non-executive	LL.B & Retd. I.A.S.
2. Dr. Shailendra Kr. Sharma	- Promoter, Executive	M.S., Renowned Orthopedic Surgeon
3. Dr. Ashok Agarwal	- Non-executive, Independent	Entrepreneur with 21yrs. experience
4. Sh. J.N. Pathak	- Non-executive, Independent	Ex-chairman, Bank of Rajasthan
5. Sh. Subhash Jain	- Non-executive, Dependent	Businessman
6. Sh. Rajesh Sharma	- Non-executive, Dependent	Businessman

BOARD COMMITTEES :

To enable better and more focused attention on the affairs of the company the Board delegates particular matter to committees of the Board set up for the purpose. The three core committees which have been constituted so far are : (1) Audit Committee (2) Remuneration Committee (3) Shareholder & Investor Grievance Committee

1. AUDIT COMMITTEE :

The Audit Committee comprises of Shri J.N. Phatak, Dr. Ashok Agarwal and Shri Ganpat Rai Sharma, all non-wholetime Directors with Dr. Ashok Agarwal as its chairman. The role, term of reference and the authority and powers of the Audit Committee are in conformity with the requirements of the Companies Act, 1956 and the listing agreement and for the sake of brevity are not being reproduced.

2. REMUNERATION COMMITTEE :

The remuneration Committee comprises of Shri Subhash Jain, Dr. Ashok Agarwal and Shri Ganpat Rai Sharma all non-wholetime directors with Shri Ganpat Rai Sharma as its chairman.

The Committee, inter alia, will deal with all elements of remuneration of Managing Director/wholtime Director.

3. SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE :

The shareholder/investor grievance Committee comprises of Shri Rajesh Sharma, Shri J.N. Phatak and Shri Subhash Jain, all non-wholetime directors with Shri Rajesh Sharma as its chairman. This Committee is vested with the requisite powers and authorities to specifically look into the redressal of shareholder and investor grievances.

The Company will commence reporting with clause 49 of the Listing Agreement w.e.f the accounting year ending on 31st March, 2003 and thereafter, in which it has been made mandatory.

7. REPAYMENT TO FINANCIAL INSTITUTION :

Your Company has been regular in payment of interest and repayment of principal loan instalments to the financial institutions during the year under review and has claimed and received interest incentive to the extent of 2% of the interest rate during the year to RIICO under good borrower scheme.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

8. DIRECTORS :

Shri J.N. Pathak and Dr. Ashok Agarwal, retires by rotation and are eligible for reappointment.

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

The Board of Directors Report :

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

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

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

There were no Foreign exchange earnings and outgoing during the year.

11. AUDITORS AND AUDITORS REPORT :

The Statutory Auditors M/s Sharma Ashwani & Co., Chartered Accountants retiring at the ensuing Annual General Meeting are eligible for reappointment. Accordingly M/s Sharma Ashwani & Co., Chartered Accountants will be appointed as Auditors of the company.

The notes to be Accounts referred to in the Auditors Report are self explanatory and therefore do not need any further comment.

12. PERSONNEL :

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

13. ACKNOWLEDGEMENT :

The Directors would like to expres their grateful appreciation for the assistance and co-operation received from the Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), Rajasthan Financial Corporation (RFC), UCO Bank, Punjab National Bank and other Banks, Investors, Shareholders for their continuing support during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of Consultant Doctors and entire staff at all levels of the Company for its success.

BY ORDER OF THE BOARD

Place : Jaipur

Date : 26th JULY, 2002

(Dr. Shailendra Kumar Sharma)

Managing Director

(Ganpat Rai Sharma)

Chairman