

Fourteenth Annual Report 2002-2003



Jaipur Hospital

A UNIT OF

**SHARMA EAST INDIA HOSPITALS
& MEDICAL RESEARCH LIMITED**



FOURTEENTH ANNUAL REPORT 2002-2003

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SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

BOARD OF DIRECTORS

CHAIRMAN

MANAGING DIRECTOR

DIRECTORS

COMPANY SECRETARY

AUDITORS

SHRI GANPAT RAI SHARMA

DR. SHAILENDRA KUMAR SHARMA

SHRI SUBHASH JAIN

SHRI RAJESH SHARMA

SHRI J.N. PATHAK

DR. ASHOK AGARWAL

SMT. MADHU RATHI

MRS. SHARMA ASHWANI CO.

CHARTERED ACCOUNTANTS

JAIPUR

SHRI GANPAT RAI SHARMA

DR. SHAILENDRA KUMAR SHARMA

SHRI SUBHASH JAIN

SHRI RAJESH SHARMA

SHRI J.N. PATHAK

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SMT. MADHU RATHI

MRS. SHARMA ASHWANI CO.

CHARTERED ACCOUNTANTS

JAIPUR

FOURTEENTH ANNUAL GENERAL MEETING

THURSDAY 14TH MARCH 2008

AT 10.00 AM

TAKIA KI CHOWKI, KALINDI ROAD, POH

INDIARA, JAIPUR

AT 10.00 AM



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NOTICE :

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

DATE: 25TH SEPTEMBER, 2003.

DAY : THURSDAY

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, 2003, 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 Subhash Jain who retires by rotation and is eligible, for reappointment.
3. To appoint a Director in place of Shri Rajesh Sharma who retires by rotation and is eligible, for reappointment.
4. To appoint Auditors and to fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution :-

"RESOLVED the M/s Gopal Sharma & Co., Chartered Accountants, Azad Marg, C-Scheme, Jaipur be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on a remuneration of Rs. 60,000/- P.A. plus out of pocket expenses incurred by them for the purpose of the Audit of the company's accounts. In place of retiring auditors M/s Sharma Ashwani & Co., who have not offered themselves for reappointment."

SPECIAL BUSINESS :

To consider and if thought fit to pass with or without modification, the following resolutions :-

5. As a Special Resolution :

"RESOLVED that pursuant to the section 149(2A) of Companies Act, 1956 and other applicable provisions, if any, of the said Act and in pursuance of the special resolution passed in Ninth Annual General Meeting, consent of the company be and is hereby accorded to the Board of Directors of the company for commencement of real estate business mentioned in para 7 & 8 of clause III C of MOA of the company.

RESOLVED FURTHER that the Board of Directors of the company be and are hereby authorised to do all such acts, deeds and things as may be necessary to give effect to this resolution."

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6. As a Special Resolution :

"RESOLVED that subject to partial modification of the resolution passed at the 13th Annual General Meeting held on 28-09-2002, the consent of the Company be and is hereby accorded to increase the remuneration payable to Dr. Shailendra Kumar Sharma as Managing Director of the company from Rs. 15000/- P.M. to Rs. 25000/- P.M. w.e.f. 1st Oct. 2003 for the remainder of the tenure of their contract subject to the provisions of schedule XIII with the provisions of section 198, 269 309 and 310 of the Companies Act, 1956 with further liberty to Board of Directors to revise his remuneration from time to time as they deem fit within the limits of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER that all other terms and conditions of the agreement shall remain the same as previously approved."

7. As a Special Resolution :

"RESOLVED that in pursuance to Clause 6 of Security Exchange Board of India (Delisting of Securities) Guidelines-2003 regarding voluntary delisting of the shares from Stock Exchanges and subject to the approval of SEBI, the concerned Stock Exchanges and other regulatory authorities, if any, the consent of the Company be and is hereby accorded to delist the Equity Shares of the Company from THE DELHI STOCK EXCHANGE ASSOCIATION LTD., JAIPUR STOCK EXCHANGE and THE STOCK EXCHANGE - AHMEDABAD and the Board is hereby authorised to do all acts, deeds and things necessary and expedient while complying with the said guidelines and any other regulatory requirements if any, for delisting of the equity shares from the above said Stock Exchanges."

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. 4 to 7 is annexed hereto.
3. The Register of Members and Share Transfer Books will remain closed from 18th September, 2003 to 25th September 2003 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.
5. Pursuant to the provisions of section 205A (5) of the Companies Act, 1956, dividend for the financial year ended 31st March 1996, which remained unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred in due time to the investor Education and Protection Fund established by the Central Government under section 205 (C) of the Companies Act, 1956. Shareholders who have not encashed their dividend so far for the financial year ended as on 31st March, 1996 are requested to make their claim to the Company.

PLACE : JAIPUR

DATE : 26TH JULY, 2003

REGD. OFFICE :

JAIPUR HOSPITAL

LAL KOTHI, NEAR SMS STADIUM

TONK ROAD, JAIPUR-302 015

BY ORDER OF THE BOARD

(MADHU RATHI)

COMPANY SECRETARY



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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

The Explanatory Statement Pursuant to section 173(2) of Companies Act, 1956 for item no. 4 to 7 is as under :

Item No. 4

The present Auditors M/s Sharma Ashwani & Co., Chartered Accountants have expressed their desire not to continue as Auditors of the Company and therefore not offered themselves for re-appointment as Auditors of the Company.

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

One of the partner of M/s. Gopal Sharma & Co., is Shri Ashwani Sharma, who is son of Shri Ganpat Rai Sharma, Chairman of the Company and Brother of Dr. Shailendra Kumar Sharma, Managing director of the Company.

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

The Board of Directors commends the resolution for your approval.

Item No. 5

The company wants to start the business of real estate specified in para no. 7 & 8 of clause C of the Object of the Memorandum of Association of the Company. Pursuant to the provisions of section 149 (2A) of the Companies Act, 1956, any of the business activity mentioned in other object can also be started with the approval of the shareholders.

Hence the Board recommends the passing of the said resolution.

Item No. 6

In the 13th Annual General Meeting Dr. Shailendra Kumar Sharma was appointed as Managing Director of the Company for a period of 5 years w.e.f. 18/3/2002, considering his valuable experience and expertise, your directors on the recommendation of remuneration Committee consider that the remuneration should be suitably increased and proposes to increase the remuneration from Rs. 15,000/- to Rs. 25,000/- p.m.

The Board recommends the passing of the said resolution.

Further 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.

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

Item No. 7

The equity shares of your company are currently being listed on four stock exchanges v.i.z. Jaipur Stock Exchange (acting as regional stock exchange), The Delhi Stock Exchange Association Ltd., The Stock Exchange, Mumbai and The Stock Exchange - Ahmedabad. In view of phenomenal increase in penetration of Mumbai Stock Exchange all over India, and no trading of the securities of the Company at Jaipur Stock Exchange, Delhi Stock Exchange and Ahmedabad Stock Exchange, the management of your Company has proposed to delist the securities from these Stock Exchanges.

Your directors recommend the resolution for the approval of the members.

PLACE : JAIPUR
DATE : 26TH JULY, 2003

BY ORDER OF THE BOARD

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

(MADHU RATHI)
COMPANY SECRETARY

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DIRECTOR'S REPORT

Dear Shareholders,

The Directors are pleased to present their Fourteenth Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2003.

| | (Rs. in Lacs) | |
|--|-----------------------|------------|
| | For the year ended on | |
| | 31.03.2003 | 31.03.2002 |
| 1. FINANCIAL RESULTS | | |
| Professional Receipts & Other Income | 321.89 | 319.50 |
| Profit before Interest, | | |
| Depreciation & Tax | 54.89 | 60.13 |
| Less : Interest | 10.75 | 9.15 |
| Operating Profit | 44.14 | 50.98 |
| Less : Depreciation | 41.25 | 43.84 |
| Net Profit Before Tax | 2.89 | 7.14 |
| Less : Provision for Deferred Taxation | 1.84 | 1.75 |
| Net Profit after Tax | 1.05 | 5.39 |
| Add : Profit brought forward from Previous Year | 25.19 | 19.80 |
| | 26.24 | 25.19 |
| Less : Provision for Deferred Taxation relating to previous year | 24.89 | NIL |
| Surplus carried forward to Balance Sheet | 1.35 | 25.19 |

2. PERFORMANCE OF THE COMPANY :

The operational results of the company during the year under review remained satisfactory. Company has achieved total receipts of Rs. 321.89 Lacs as 319.50 lacs in previous year.

Availability of trained nursing staff is a prerequisite for efficient performance in hospital. We have affiliated ourselves to Jaipur Hospital School of Nursing & Medical Training Centre, from where we are getting necessary nursing staff at present.

3. DIVIDEND :

In view of paucity of funds and to conserve the available resources for better requirement in the Company, your Directors do not recommend any payment of dividend for the year 2002-2003.

4. FUTURE PROSPECTS :

Your Company is planning to set-up a Dental College in Jaipur through a trust and necessary steps are in progress.

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.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED**6. CORPORATE GOVERNANCE :**

The Corporate Governance is applicable to the Company from the year 2002-03. The Company has implemented the Corporate Governance requirements. Management Discussion and analysis and a report on compliance of Corporate Governance is enclosed as Annexures to Director's Report.

7. REPAYMENT TO FINANCIAL INSTITUTION :

Your Company has been regular in payment of interest and repayment of principal loan installments 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 from FIICO under good borrower scheme.

8. DIRECTORS :

Shri. Subhash Jain and Shri Rajesh Sharma, 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 have been followed alongwith proper explanation relating to the material departures.
- (ii) The directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 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 AUDITOR'S REPORT :

The Statutory Auditors M/s Sharma Ashwani & Co., Chartered Accountants retiring at the ensuing Annual General Meeting, have shown their inability to hold office as Auditors of the Company. A proposal has been received of M/s Gopal Sharma & Co., Chartered Accountants, for appointment as Auditors of the Company subject to approval of the shareholders. The Company has received a certificate to the effect that their appointment, if made, would be within the prescribed limits u/s 224(1B) of the Companies Act, 1956.



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The notes to 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 express their grateful appreciation for the assistance and co-operation received from the Rajasthan State Industrial Development & Investment Corporation Limited (RSICO), SBBJ 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, 2003

(Dr. Shalendra Kumar Sharma)
Managing Director

(Ganpat Rai Sharma)
Chairman