

Sixteenth Annual Report 2004-2005



Certified true copy.
For Sharma East India Hospitals &
Medical Research Ltd.
[Signature]
Accounts Officer

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



SIXTEENTH ANNUAL REPORT 2004-2005

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SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

BOARD OF DIRECTORS

CHAIRMAN

MANAGING DIRECTOR

DIRECTORS

COMPANY SECRETARY

AUDITORS

BANKERS

REGISTERED OFFICE

SHRI GANPAT RAI SHARMA

DR. SHAILENDRA KUMAR SHARMA

SHRI SUBHASH JAIN

SHRI RAJESH SHARMA

SHRI J.N. PATHAK

DR. ASHOK AGARWAL

SMT. MADHU RATHI

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

PNB & SBBJ BANK

**JAIPUR HOSPITAL
LAL KOTHI, NEAR S.M.S. STADIUM
TONK ROAD, JAIPUR-302 015
PHONE : 2742557, 2742619, 2742266,
2740936, 2741465**

SIXTEENTH ANNUAL GENERAL MEETING

THURSDAY THE 29TH SEPTEMBER, 2005

AT SHARMA AGRICULTURE FARM

TAKIA KI CHOWKI, KALWAD ROAD,

JHOTWARA, JAIPUR

AT 3.00 P.M.



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NOTICE :

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

DATE: 29TH SEPTEMBER, 2005

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, 2005, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Dr. Ashok Agarwal, who retires by rotation and is eligible, for reappointment.
3. To appoint a Director in place of Shri Subhash Jain, who retires by rotation and is eligible, for reappointment.
4. To appoint Auditors to hold office from the conclusion of this annual General Meeting until the conclusion of the next annual general meeting and to fix their remuneration.

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 Register of Members and Share Transfer Books will remain closed from 22nd September, 2005 to 29th September 2005 both days inclusive.
3. 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

BY ORDER OF THE BOARD

DATE : 25TH JULY, 2005

(MADHU RATHI)

COMPANY SECRETARY

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

The Directors are pleased to present their Sixteenth Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2005.

	(Rs. in Lacs)	
	<u>For the year ended on</u>	
	<u>31.03.2005</u>	<u>31.03.2004</u>
1. FINANCIAL RESULTS		
Professional Receipts & Other Income	339.40	312.47
Profit before Interest,		
Depreciation & Tax	48.57	38.25
Less : Interest	7.01	1.05
Operating Profit	41.56	37.20
Less : Depreciation	32.96	31.73
Net Profit Before Tax	8.60	5.47
Less : Provision for Taxation		
Current Tax	2.86	2.02
Deferred Tax(net)	(0.52)	(0.71)
Net Profit after Tax	6.26	4.16
Add : Profit brought forward from Previous Year	5.51	1.35
Surplus carried forward to Balance Sheet	11.77	5.51

2. PERFORMANCE OF THE COMPANY :

The operational results of the company during the year under review remained satisfactory.

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 staff at present.

3. DIVIDEND :

In view of paucity of funds and to conserve the available resources for better utilisation in the Company, your Directors do not recommend any payment of dividend for the year 2004-2005.

4. FUTURE PROSPECTS :

Your Company is planning to set-up a Dental and B.Sc. Nursing 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.

6. CORPORATE GOVERNANCE :

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



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7. DELISTING :

Pursuant to the resolution passed by you at the 14th Annual General Meeting held on 25/09/03, your company had made application to the Stock Exchanges at Ahmedabad, Jaipur and Delhi for voluntary delisting of the Company's shares, after complying with the SEBI (Delisting of Securities) Guidelines, 2003. The shares of the Company have been delisted from Ahmedabad, Jaipur and Delhi Stock Exchanges w.e.f. 31.03.04, 15.05.04 and 20.01.05 respectively.

The shares of the company will continue to be listed at Mumbai Stock Exchange (BSE).

8. DIRECTORS :

Dr Ashok Agarwal and Shri Subhash Jain 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 Gopal Sharma & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment.

The notes to Accounts referred to in the Auditors Report are self-explanatory and therefore do not need 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.

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

13. ACKNOWLEDGEMENT :

The Director would like to express their grateful appreciation for the assistance and co-operation received from the Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), 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 : 25TH JULY, 2005

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

(GANPAT RAI SHARMA)
CHAIRMAN





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ANNEXURE - I

Management Analysis & Discussion Report

1. Mission & Business Strategy

The main operation of the company is related to service activities related with the field of medical science. The demand for sophisticated modern health care is expanding fast. With the ever expanding field of medical science and research the cult of health consciousness is spreading rapidly.

Your company's mission is to provide wide ranging medical services in all the fields of medical science.

The objective is to offer best quality services to its customers which are given at low costs and efficiently to achieve health growth and profitability.

Your company is committed to achieve this while ensuring high levels of ethical standards, professional integrity and regulatory compliance.

2. Opportunity & Threats

Your company is first in the state of Rajasthan which performed 'Replacement Surgery'. A very important aspect in Replacement Surgery is operation theatre. Our specially designed state of Art operation theatre is first of its kind in Rajasthan. This theatre has total body exhaust system and 'Antistatic' flooring which makes it totally sterile. That's why the company became successful in getting recognition from many reputed Govt./corporate/Banks and other private enterprises for the purpose of reimbursement of medical claims of their employees being treated at the hospital.

The threats are from increasing power tariffs and competition.

3. Segmentwise or productwise performance

Not applicable to your company.

4. Outlook, risks & concerns

Your company, in view of the strengths enumerated above, is confident of maintaining its track record.

There are no major risks and concerns except the technology upgradation and increasing power tariff and competition. Company is seriously pursuing to overcome the above.

5. Internal control systems & their adequacy

The company has carried out an internal audit covering all key processes and has in place adequate internal controls.

6. Discussion on financial performance with respect to operational performance

In spite of increase in the competition the performance of your company during the year under review was satisfactory.

7. Material development in Human Resources.

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

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ANNEXURE II

Report on Corporate Governance pursuant to clause 49 of listing Agreement

1. Company's philosophy on Corporate Governance -

The company is aiming at efficient conduct of the business in meeting its obligations to the shareholders.

2. Composition of the Borad 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 Directors, who bring a wide range of skills and experience to the Board.

3. Attendance at Board Meeting and last Annual General Meeting-

name of Directors	Category of Directorship	No. of Board Meeting Attended	Att. of last A.G.M.	No. of other Directorship in Public Ltd. Co.	Membership/Chairmanship in other committees
Sh. Ganpat Rai Sharma	Promoter, Non Executive	5	Yes	Nil	Nil
Dr. Shailendra Kr. Sharma	Promoter, Executive	5	Yes	Nil	Nil
Dr. Ashok Agarwal	Non Executive, Independant	3	Yes	3	2
Sh. J.N. Pathak	Non Executive, Independant	3	No	1	2
Sh. Subhash Jain	Non Executive, Dependant	1	No	Nil	Nil
Sh. Rajesh Sharma	Non Executive, Dependant	1	No	Nil	Nil

Five meetings of the Board were held during the year on following dates : 23rd April 2004, 29th June 2004, 29th July 2004, 29th Oct. 2004, 28th Jan 2005 and AGM was held on 25th Sept. 2004.

4. Two Directors retire by rotation -

Dr. Ashok Agarwal & Sh. Subhash Jain retire by rotation and eligible for re-appointment offers themselves for re-appointment. Dr. Ashok Agarwal aged 54 yrs., is an entrepreneur with 24 years of experience, helped the management of the company for maintenance of General administration in the company. His joining in the company as a director will provide great efforts in the prospects of the company.

Sh. Subhash Jain aged 43 yrs., B.com and having sound experience in Busines & Financial accounting, his joining in company as a director will contribute to the growth of the company's business.



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5. Board Committees -

The Board appointed the following -

Audit Committee	Investor Grievance Committee	Remuneration Committee
Sh. J.N. Pathak	Sh. Rajesh Sharma (Chairman)	Sh. Subhash Jain
Dr. Ashok Agarwal (Chairman)	Sh. Subhash Jain	Dr. Ashok Agarwal
Sh. Ganpat Rai Sharma	Sh. J.N. Pathak	Sh. Ganpat Rai Sharma
Mrs. Madhu Rathi (Compliance officer)	Mrs. Madhu Rathi (Compliance officer)	

(a) Audit Committee :

The audit committee functions with following objectives :

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

Terms of reference and powers of committee include the area/powers prescribed by clause 49 of the listing agreement of the stock exchange. Committee met on 29.06.2004, 29.10.2004 & 28.01.2005. All the members were present in all the committee meetings.

(b) Shareholders/Investors Grievance Committee

During the financial year 2004-2005, the committee met once on 31st March 2005.

(c) Remuneration Committee :-

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing Director based on performance. During the year the committee met once 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 31st March, 2005 Managing Director, Dr. Shailendra Kr. Sharma is Rs. 7,92,946. The company pays sitting fees to the non-executive directors.

6. General Body Meetings -

The Particulars of last 3 years AGM are as under :

Financial Year	Date	Time
2003-04	25.09.04	3 P.M.
2002-03	25.09.03	3 P.M.
2001-02	28.09.02	3 P.M.

Location :

All the above AGM's were held at Sharma Agriculture farm, Takia Ki Chowki, Kalwad Road, Jhotwara, Jaipur.