

Nineteenth Annual Report 2007-2008



Jaipur Hospital

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



Tainur

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SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

BOARD OF DIRECTORS

CHAIRMAN

MANAGING DIRECTOR

DIRECTORS

AUDITORS

BANKERS

REGISTERED OFFICE

SHRI GANPAT RAI SHARMA

DR. SHAILENDRA KUMAR SHARMA

MRS. MADHULIKA SHARMA

MRS. MAYA SHARAM

MRS. MONIKA SHARMA

SHRI KARAN SHARMA

SHRI SUBHASH JAIN

SHRI RAJESH SHARMA

SHRI J.N. PATHAK

DR. ASHOK AGARWAL

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

PNB, SBBJ & SBI BANK

**JAIPUR HOSPITAL
LAL KOTHI, NEAR S.M.S. STADIUM
TONK ROAD, JAIPUR-302 015
PHONE : 274255/ 2742619, 2742266,
2740936, 2741465**

NINETEENTH ANNUAL GENERAL MEETING

**MONDAY THE 29TH SEPTEMBER, 2008
AT SHARMA AGRICULTURE FARM
TAKIA KI CHOWKI, KALWAD ROAD,
JHOTWADA, JAIPUR
AT 3.30 P.M.**



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NOTICE :

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

DATE : 29TH SEPTEMBER, 2008

DAY : MONDAY

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, 2008, 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 Sh. Subhash Chand Jain, who retires by rotation and is eligible, for reappointment.
3. To appoint a Director in place of Sh. Rajesh Sharma, who retires by rotation and is eligible, for reappointment.
4. To appoint a Director in place of Sh. Ganpat Rai Sharma, who retires by rotation and is eligible, for reappointment.
5. To appoint M/s. S. S. Bhurat & Associates, Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD

DATE : 28TH JULY, 2008

Registered Office :

Jaipur Hospital

Lal Kothi, Near S. M. S. Stadium

Tonk Road, Jaipur-302015

COMPANY SECRETARY

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 OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books will remain closed from 22nd September, 2008 to 29th September, 2008 both days inclusive.
4. Members who hold shares in dematerialized form are requested to bring their CLIENT ID & DP ID Number for easy identification at the meeting.
5. Members are requested to lodge the transfer, transmission of shares at the registered office or to the Registrar & Transfer Agent M/s Beetal Financial & Computer Services P. Ltd., Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062 and to inform any change in their address immediately so as to enable the Company to do future communications at their correct address.
6. Shareholders are requested to please bring their attendance slips together with their copies of Annual report at the meeting.
7. At the ensuing AGM, Sh. Subhash Jain, Shri Rajesh Sharma and Sh. Ganpat Rai Sharma shall retire by rotation and being eligible for reappointment and offer themselves for re-appointment.

PLACE : Jaipur

DATE : 28TH JULY, 2008

Registered Office :

Jaipur Hospital

Lal Kothi, Near S. M. S. Stadium

Tonk Road, Jaipur-302015

BY ORDER OF THE BOARD

COMPANY SECRETARY



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DIRECTOR'S REPORT

To

The Members,

Your Directors are delighted in presenting the Nineteenth Annual Report on the business and operations of your company together with Audited Accounts and Cash Flow Statement for the year ended on 31st March, 2008.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March 2008 are summarized below :

	(Rs. in Lacs) (Rs. in Lacs)	
	For the year ended on	
	2007-2008	2006-2007
Professional Receipts & Other Income	535.84	481.68
Profit before Interest,		
Depreciation & Tax	110.04	82.27
Less : Interest	50.74	33.52
Operating Profit	59.30	48.75
Less : Depreciation	48.16	37.37
Net Profit before Tax	11.14	11.38
Less : Provision for Taxation:		
Current Tax	3.40	2.58
Deferred Tax(Net)	(4.33)	1.19
Net Profit after Tax	12.07	7.61
Add : Profit brought forward from Previous Year	23.08	15.47
Surplus carried forward to Balance Sheet	35.15	23.08

2. REVIEW OF OPERATION :

During the year under review, your company has registered an overall increase of 11.24% in the professional and other receipts i.e. Rs. 535.84 Lacs in comparison to Rs. 481.68 Lacs in the previous year. In spite of the stiff competition in the medical industry affecting the operations of your Company, the Company has performed satisfactory performance by maintaining almost same profit level of the previous year before Interest, Depreciation and Taxes. Further, your Company is continuously making efforts to enhance the operations and also trying to hold its grip over upcoming opportunities in Medical & Health Industry.

3. DIVIDEND :

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

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4. FUTURE PROSPECTS :

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

5. FIXED DEPOSITS :

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

6. CORPORATE GOVERNANCE :

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

7. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Shri Subhash Jain, Shri Rajesh Sharma and Shri Ganpat Rai Sharma Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

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

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

The Board of Directors Report :

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

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

Since the Company is engaged in serving activities and has no activity pertaining to manufacturing



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

10. AUDITORS AND AUDITOR'S REPORT :

M/s Sharma Bhurat & Associates, Chartered Accountants, Jaipur retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received the certificate from them that their re-appointment, if made, would be within the limits prescribed u/s 224(1B) of the Companies Act, 1956. The notes to accounts referred to in the Auditors Report are selfexplanatory and therefore do not need further comment.

11. PERSONNEL :

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

12. ACKNOWLEDGEMENT :

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

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

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

BY ORDER OF THE BOARD

PLACE : JAIPUR
DATE : 31TH JULY, 2008

(DR. SHAILENDRA KUMAR SHARMA)
MANAGING DIRECTOR

(GANPAT RAI SHARMA)
CHAIRMAN

SHARMA EAST INDIA HOSPITALS & MEDICAL RESEARCH LIMITED

ANNEXURE - I

Management Analysis & Discussion Report

1. Mission & Business Strategy

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

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

2. Opportunity & Threats

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

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

3. Segmentwise or productwise performance

Not applicable to your company.

4. Outlook, Risks & Concerns

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

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

5. Adequacy of Internal control

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



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

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

6. Discussion on financial performance with respect to operational performance

The Company's Professional and other receipts for the year ended March 31, 2008 increased to Rs. 535.84 Lacs against Rs. 481.68 Lacs during last year.

The Gross Profit before Depreciation, Interest and Tax has increased to Rs. 110.04 Lacs against Rs. 82.27 Lacs during the previous year.

The provision for taxation for the current year is Rs. 3.40 Lacs as compared to Rs. 2.58 Lacs for the previous year, the Profit after tax for the year is Rs. 12.07 Lacs as against Rs. 7.61 Lacs during the previous year.

7. Human Resource Development/Training

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

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

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

8. Employment Profile & Industrial Relations

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

9. Cautionary Statement

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