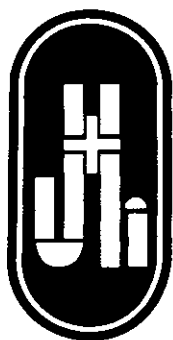


21st

Annual Report

2009-2010



**Jaipur
Hospital**

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

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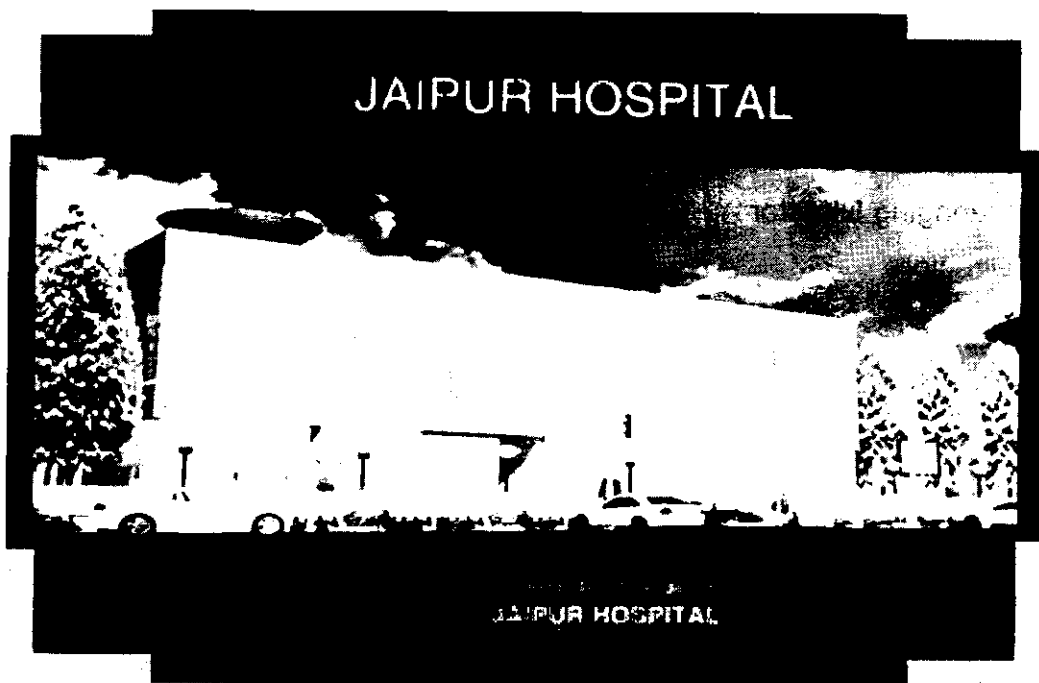
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BOARD OF DIRECTORS

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 29TH 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 it 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 : 29TH 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 31st 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, Chitrangan 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).

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 22nd September 2010 to 29th 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, 3rd 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^{ss}.
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 BOARDRegistered OfficeJaipur 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 payable 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