

Dr. Agarwal's Eye Hospital Limited

19 (Old No.13), Cathedral Road, Chennai - 600 086



**Ninth Annual Report
2002 - 2003**

**9th Annual Report
and
Accounts for the year ended 31.03.2003**

Board of Directors

Dr. J. Agarwal,
Chairman cum Wholetime Director
Dr. (Mrs.) T. Agarwal, Managing Director
Dr. Steve Charles (USA)
Ms. Sudha (Wholetime Director)
Dr. Amar Agarwal (Joint Managing Director)
Dr. Athiya Agarwal (Wholetime Director)
Dr. Jasvinder Singh Saroya
Dr. Sasikanth R. R.
Dr. (Ms.) Akhther Begum
Mr. M. R. G. Apparao

Auditors

M/s. M. K. Dandeker & Co.
244, Angappa Naicken Street,
Chennai 600 001.

Registered Office

19 (Old No.13), Cathedral Road,
Chennai 600 086.

Bankers

- (1) State Bank of India,
Gopalapuram Branch, Chennai 600 086.
and
(2) State Bank of India,
Industrial Finance Branch,
Chennai 600 002.

Share Transfer Agents

Integrated Enterprises India Ltd.
2nd Floor, Kences Towers,
No.1, Ramakrishna Street,
North Usman Road,
T.Nagar, Chennai 600 017
Tel : 814 0801-03

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of the shareholders of the company will be held on 1st September 2003 at 10.30 a.m. at Dr. Agarwal's Eye Hospital Ltd, # 19 (Old No.13), Cathedral Road, Chennai - 600 086 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 31st March 2003 and the Balance Sheet as at 31st March 2003 and the Auditor's Report thereon.
2. To declare a dividend.
3. To appoint a director in the place of Dr. Jasvinder Singh Saroya, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in the place of Dr. Sasikanth R. R., who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a director in the place of Dr. (Ms.) Akhther Begum, who retires by rotation and being eligible, offers herself for reappointment.
6. To appoint Auditors and authorise the Board of Directors to fix their remuneration. M/s. M. K. Dandekar & Co., Chartered Accountants, Chennai, retire and are eligible for reappointment.

SPECIAL BUSINESS

7. To appoint Mr. M. R. G. Apparao, as a Director who was co-opted to the Board as an Additional Director during the year and who holds office upto the date of the forthcoming Annual General Meeting and for this purpose to consider and if thought fit to pass with or without modification the following as an ORDINARY RESOLUTION, a Notice of intention to move the same having been received from a member along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956.

"RESOLVED THAT Mr. M. R. G. Apparao, be and is hereby appointed as a Director of the Company."

8. To consider, and if thought fit to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to Section 269, 309, 310, and other applicable provisions of the Companies Act, 1956, the remuneration of Dr. J. AGARWAL, Chairman-cum-Whole Time Director be and is hereby increased to Rs.1,00,000/- (Rupees One Lakh only) from Rs.72,000/- (Rupees Seventy Two Thousand only) per month with effect from 1-10-2003 and that he be re-appointed for a period of five years w.e.f. 1.10.2003."

9. To consider, and if thought fit to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to Section 269, 309 and 310 and other applicable provisions of the Companies Act, 1956, the remuneration of Dr. (Mrs.) T. AGARWAL, Managing Director, be and is hereby increased to Rs.1,00,000/- (Rupees One Lakh only) from

Rs.72,000/- (Rupees Seventy Two Thousand only) per month with effect from 1-10-2003 and that she be re-appointed for a period of five years w.e.f. 1.10.2003."

10. To consider, and if thought fit to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to Section 269, 309 and 310 and other applicable provisions of the Companies Act, 1956, the remuneration of Dr. AMAR AGARWAL, Joint Managing Director, be and is hereby increased to Rs.1,00,000/- (Rupees One Lakh only) from Rs.72,000/- (Rupees Seventy Two Thousand only) per month with effect from 1-10-2003 and that he be re-appointed for a period of five years w.e.f. 1.10.2003."

11. To consider, and if thought fit to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to Section 269, 309 and 310 and other applicable provisions of the Companies Act, 1956, the remuneration of Dr. ATHIYA AGARWAL, Whole Time Director, be and is hereby increased to Rs.1,00,000/- (Rupees One Lakh only) from Rs.72,000/- (Rupees Seventy Two Thousand only) per month with effect from 1-10-2003 and that she be re-appointed for a period of five years w.e.f. 1.10.2003."

Chennai
Date : 28-06-2003

By Order of the Board
Dr. Mrs. T. Agarwal
Managing Director

NOTES:-

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS STEAD AND THE PROXY NEED NOT BE A MEMBER.
2. The Register of members and the share transfer books of the Company will remain closed from 25th August 2003 to 1st September 2003 (both days inclusive).
3. The explanatory statement pursuant to sec.173(2) of the Companies Act, 1956, is annexed hereto.
4. Dividends will be paid to those shareholders whose names appear on the Company's Register of Members on 1st September 2003, or their order.
5. Members are requested to notify immediately changes in their respective addresses, if any, quoting their folio number so that the dividend warrants are correctly despatched.
6. In case the members desire that the dividend be credited to their bank account through Electronic Clearing Service (ECS), kindly send the ECS mandate form duly completed in all respects immediately. This has already been sent to all the shareholders.

Chennai
Date : 28-06-2003

By Order of the Board
Dr. Mrs. T. Agarwal
Managing Director

ANNEXURE TO NOTICE EXPLANATORY STATEMENT

ITEM NO: 7

MR. M. R. G. APPARAO, was appointed as an Additional Director at the meeting of the Board of Directors on 29.03.2003 and holds office upto the date of the Annual General Meeting.

Notice has been received from member proposing Mr. M. R. G. Apparao, as candidate for the office of Director.

Mr. M. R. G. Apparao, has managerial and financial expertise and the company would benefit immensely from his knowledge and experience.

The Board considers it desirable that the Company should continue to avail of Mr. M. R. G. Apparao's services as a Director and accordingly commends the resolution for acceptance by the members.

The Directors commend the resolution for your approval.

None of the directors of the company except Mr. M. R. G. Apparao, is in any way concerned or interested in the above resolution.

ITEM NO. 8, 9, 10 & 11:

Keeping in mind, the expertise and increased responsibilities shouldered by Dr. J. Agarwal, Chairman-cum-Whole Time Director, Dr. (Mrs.) T. Agarwal, Managing Director, Dr. Amar Agarwal, Joint Managing Director, Dr. Athiya Agarwal, Whole Time Director, it is proposed to increase their remuneration as set out in the notice and reappoint them for a period of five years w.e.f. 1-10-2003.

The Explanatory statement read with the proposed resolution may be treated as an abstract of variation of terms of appointment and Memorandum of interest u/s. 302(7) of the Companies Act, 1956.

The Directors commend the resolution for your approval.

Dr. J. Agarwal, Dr. (Mrs) T. Agarwal, Dr. Athiya Agarwal and Dr. Amar Agarwal are interested in this item.

Chennai

Date : 28-06-2003

By Order of the Board
Dr. Mrs. T. Agarwal
Managing Director

Details of Directors seeking appointment and re-appointment at the forthcoming Annual general meeting of the company

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

NAME OF DIRECTOR	EXPERTISE IN SPECIFIC FUNCTIONAL AREAS	QUALIFICATIONS	DIRECTORSHIP IN OTHER PUBLIC COMPANIES	CHAIRMAN/ MEMBER OF COMMITTEE
DR. JASVINDER SINGH SAROYA	OPHTHALMOLOGY	M.B.B.S., D.O., DNB (Oph.)	NIL	NIL
DR. SASIKANTH R. R.	OPHTHALMOLOGY	M.D.	DR. AGARWAL'S PHARMA LTD.	CHAIRMAN OF REMUNERATION COMMITTEE OF THE BOARD AND MEMBER OF AUDIT/INVESTOR COMMITTEE.
M. R. G. APPARAO	INFORMATION TECHNOLOGY & FINANCE	B.SC., DMIT, MBA (IIM CALCUTTA)	NIL	CHAIRMAN OF THE AUDIT COMMITTEE AND MEMBER OF REMUNERATION/ INVESTOR COMMITTEE
DR. (MS) AKHTHER BEGUM	HOME SCIENCE	M.SC., PH.D.	NIL	CHAIRMAN OF THE INVESTOR COMMITTEE OF THE BOARD AND MEMBER OF REMUNERATION/ AUDIT COMMITTEE

DIRECTOR'S REPORT

1. Your Directors have the pleasure in presenting the Annual Report and that of the Auditors together with the audited Balance Sheet as at 31st March 2003 and the Profit and Loss account for the year ended on that date.

2. FINANCIAL PERFORMANCE

The financial results for the year ended 31st March 2003 are as under:

	Rs. (In thousands)	
	31.03.2003	31.03.2002
Profits before depreciation and interest	23,310.82	15,532.05
Depreciation	10,751.59	8,738.97
Interest	1,059.75	1,165.25
Profit before Tax	11,499.48	5,627.77
Provision for taxation	3,965.00	2,700.00
Provision for Dividend	3,900.00	4,875.00
Tax on proposed Dividend	500.00	166.00
Surplus carried to Balance Sheet	6,819.00	4,301.01

3. DIVIDEND

The Directors recommend a dividend of 12% per annum.

4. YEAR IN RETROSPECT

Dr. Agarwal's Eye Hospital has tied up with Vasan's Medical Centre, Trichy for technical collaboration and it is run in the style of "Dr. Agarwal's Vasans Eye Hospital" and your company earns technical know-how fees on a regular basis.

Dr. Amar Agarwal was given an International award "Barraquer Award" by the International Refractive Society (KMSG) in Chile on 5th December 2002. This is a very prestigious award for his pioneering work in Ophthalmology.

Your Director Dr. Amar Agarwal, Dr. Athiya Agarwal were given the honour of conducting Instruction Courses at the American Society of Cataract & Refractive Surgery held in United States.

Following books by Your Director Dr. Amar Agarwal have been released in United States.

1. Phako, Phakonit and Laser Phako
2. Presbyopia
3. Wavefront, Aberrometer & Corneal Topography

These books have also been translated into Spanish for South American Ophthalmologists.

During the last financial year, a conference in the style of "Phakonit, Rollable IOL and Zyoptix Convention" was conducted on 13th July 2002 at Hotel Chola Sheraton and it was inaugurated by Dr. Thambi Durai, Hon'ble Minister for Education, Govt. of Tamilnadu.

All the departments in your hospital are performing well, thanks to the tireless service of all our staff. Patient's satisfaction is always considered to be the main motto and we are happy with the feedback received from our patients.

CLOSURE OF BANGALORE BRANCH

The Bangalore branch hospital was managed by Dr. Sunita Agarwal and Mr. Pankaj Sondhi, Whole Time Directors of the Company. Due to personal reasons, Dr. Sunita Agarwal and Mr. Pankaj Sondhi, Whole Time Directors resigned from the Board of Directors with effect from 1st October 2002. The company did try to run the Branch hospital at Bangalore during the month October and November 2002. But due to lack of expertise there, it was difficult to run the branch hospital at Bangalore. The Board of Directors decided to close down the branch hospital as it was not feasible to run it. Therefore the branch hospital at Bangalore was closed with effect from 15th December 2002.

5. DIRECTORS

Mr. Mohd. Ahmad, Director of the Company passed away during the year. The Board wishes to place on record its gratitude for his contribution as director of the Company.

Dr. Jasvinder Singh Saroya, Dr. Sasikanth R. R. and Dr. Ms. Akther Begum retire by rotation and being eligible, offer themselves for re-appointment.

6. AUDITORS

The auditors of the Company M/s. M. K. Dandekar & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

7. PERSONNEL (PARTICULARS OF EMPLOYEES)

There are no employees coming under the purview of Section 217 (2A) of the Companies Act, 1956.

8. INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:

A. CONSERVATION OF ENERGY

Necessary steps are being taken to conserve energy at all levels.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

Not Applicable

C. RESEARCH AND DEVELOPMENT

The Research wing is very active.

D. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange Earnings	-	Rs. NIL
Foreign Exchange Outgo	-	Rs. 48,88,798.88/-

9. DIRECTORS' RESPONSIBILITY STATEMENT :

Directors hereby declare that

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to 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 or loss 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 this 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. CORPORATE GOVERNANCE :

As per the Listing Agreement with the Stock Exchanges the Directors are pleased to annex the following reports.

- (1) Management Discussion and Analysis Report. (Annexure - A)
- (2) A Report on Corporate Governance. (Annexure - B)
- (3) Auditors Certificate regarding Compliance of all conditions of corporate governance. (Annexure - B)

11. LISTING OF SHARES:

The company is listed in Madras and Bombay Stock Exchanges.

The company has already paid the listing fees for the financial year 2003-2004.

12. REGISTRAR AND SHARE TRANSFER AGENTS:

The company carries on the share transfer work at :

INTEGRATED ENTERPRISES (INDIA) LTD.
2ND FLOOR, KENCES TOWERS NO.1, RAMAKRISHNA STREET
OFF: NORTH USMAN ROAD, T.NAGAR CHENNAI - 600 017.

13. DEMATERIALISATION OF SHARES:

The equity shares of the company are required to be compulsorily traded and settled only in the dematerialised form. The company has been prompting investors to convert their physical holding into demat form. The company also gives an option to the new shareholders; to have the shares dematerialised. For this an option letter is sent to equity shareholders, immediately after approval of transfer, for sending the Demat Request Form through the Depository Participant to enable conversion of the shares into electronic form.

14. PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE (ECS)

Your company has already sent a letter on 4th March 2002 to all the, shareholders requesting them to avail the ECS facility, The ECS has the following advantages.

- Timely credit of dividend amount to your bank account at no extra cost.
- No scope for theft / fraudulent encashment of dividend warrant.
- No chance of loss / damage of dividend warrant in transit.
- No need to visit bank for depositing dividend warrant.
- No need of writing to the company for revalidation of dividend warrant.

In case you desire that the dividend be credited to your bank account through ECS, kindly send the ECS Mandate Form duly completed in all respects immediately.

15. UNCLAIMED DIVIDEND:

Dividend declared at the A.G.M. held on 25th September 1996, which remain unpaid or unclaimed for a period of seven years from the date of such transfer to unpaid Dividend

Account of the Company shall be transferred by the company to investor education and protection fund after the expiry of the said seven years vide section 205-A (5) OF COMPANIES Act, 1956.

16. ACKNOWLEDGEMENTS

Your Directors would like to place on record their deep sense of appreciation of the services by the Executives, Staff, Workers of the Company, and also the Bankers and Registrar and Share Transfer Agents for its success.

For and on behalf of the Board
Dr. Mrs. T. Agarwal
Managing Director

Chennai
Date : 28-06-2003

Dr. J. Agarwal
Chairman

