

## **Dr. Agarwal's Eye Hospital Limited**

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



**Eleventh Annual Report  
2004 - 2005**

**11th Annual Report**  
**and**  
**Accounts for the year ended 31.03.2005**

**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**  
**Mr. Prabhat Toshniwal**  
**Mr. Adil Agarwal**

**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.  
2<sup>nd</sup> 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 11th Annual General Meeting of the shareholders of the company will be held on 21<sup>st</sup> September 2005 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 31<sup>st</sup> March 2005 and the Balance Sheet as at 31<sup>st</sup> March 2005 and the Auditor's Report thereon.
2. To declare a dividend.
3. To appoint a director in the place of Dr. Amar Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in the place of Ms. Sudha, who retires by rotation and being eligible, offers herself for reappointment.
5. To appoint a director in the place of Dr. Steve Charles, who retires by rotation and being eligible, offers himself 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. PRABHAT TOSHNIWAL, 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.PRABHAT TOSHNIWAL, be and is hereby appointed as a Director of the Company."

8. To appoint MR.ADIL AGARWAL. 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.ADIL AGARWAL, be and is hereby appointed as a Director of the Company."

9. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary resolution:

"RESOLVED THAT the non-executive directors of the company be paid a sitting fee of Rs.2,500/- (Rupees Two Thousand Five Hundred only) per board meeting and Audit Committee meeting attended by them."

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 269,309,310 and other applicable provisions of the Companies Act 1956, the remuneration of Dr. J. Agarwal, Chairman-cum-Wholetime Director be and is hereby increased to Rs.1,50,000/- (Rupees One Lakh fifty thousand only) from Rs.1,00,000/- (Rupees One Lakh only) per month with effect from 1-10-2005 and that he be re-appointed for a period of three years w.e.f.1-10-2005.

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 269,309,310 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.1,50,000/- (Rupees One Lakh fifty thousand only) from Rs.1,00,000/- (Rupees One Lakh only) per month with effect from 1-10-2005 and that she be re-appointed for a period of three years w.e.f.1-10-2005.

12. 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. Amar Agarwal, Joint Managing Director be and is hereby increased to Rs.1,50,000/- (Rupees One Lakh fifty thousand only) from Rs.1,00,000/- (Rupees One Lakh only) per month with effect from 1-10-2005 and that he be re-appointed for a period of three years w.e.f.1-10-2005.

13. 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. Athiya Agarwal, Wholetime Director be and is hereby increased to Rs.1,50,000/- (Rupees One Lakh fifty thousand only) from Rs.1,00,000/- (Rupees One Lakh only) per month with effect from 1-10-2005 and that she be re-appointed for a period of three years w.e.f.1-10-2005.

14. 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 Ms. Sudha, Wholetime Director be and is hereby increased to Rs.1,00,000/- (Rupees One Lakh only) from Rs.50,000/- (Rupees Fifty Thousand only) per month with effect from 1-10-2005 and that she be re-appointed for a period of three years w.e.f.1-10-2005.

Chennai  
Date : 30-06-2005

By Order of the Board  
Sd/-  
**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 Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 for item Nos 7 to 14 is annexed.
3. The Register of members and the share transfer books of the company will remain closed from 14<sup>th</sup> September 2005 to 21<sup>st</sup> September 2005. (both days inclusive)
4. Dividends will be paid to those shareholders whose names appear on the company's Register of Members on 21<sup>st</sup> September 2005, 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 from duly completed in all respects immediately. This has already been sent to all the shareholders.

By Order of the Board  
Sd/-

**Dr. Mrs. T. Agarwal**  
Managing Director

Chennai

Date : 30-06-2005

**ANNEXURE TO NOTICE**  
**EXPLANATORY STATEMENT**

**ITEM NO: 7**

MR. PRABHAT TOSHNIWAL, was appointed as an Additional Director at the meeting of the Board of Director on 28.03.2005 and holds office upto the date of the Annual General Meeting.

Notice has been received from a member proposing MR. PRABHAT TOSHNIWAL, as candidate for the office of Director.

The Directors commend the resolution for your approval.

None of the Directors of the company except MR. PRABHAT TOSHNIWAL is in any way concerned or interested in the above resolution.

**ITEM NO:8**

MR. ADIL AGARWAL, was appointed as an Additional Director at the meeting of the Board of Director on 28.3.2005 and holds office upto the date of the Annual General Meeting.

Notice has been received from a member proposing MR. ADIL AGARWAL, as candidate for the office of Director.

The Directors commend the resolution for your approval.

None of the Directors of the company except Mr. Adil Agarwal, Dr. J. Agarwal, Dr. (Mrs.) T. Agarwal, Dr. Amar Agarwal and Dr. Athiya Agarwal is in any way concerned or interested in the above resolution.

ITEM NO:9

At the Board meeting held on 31st January 2005, the Board has approved payment of sitting fees to non-executive directors of the company as stated in the notice. The approval of the shareholders is sought in this regard.

The Directors commend the resolution for your approval.

All the non-executive directors of the company are interested in the said resolution and Dr. J. Agarwal, Dr. (Mrs.) T. Agarwal, Dr. Amar Agarwal and Dr. Athiya Agarwal being relatives of Mr. Adil Agarwal, a non-executive director are interested in the above resolution.

ITEM NO:10,11,12,13,14

Keeping in mind the expertise and increased responsibilities shouldered by Dr. J. Agarwal, Chairman-cum-Wholetime Director, Dr. Mrs. T. Agarwal, Managing Director, Dr. Amar Agarwal, Joint Managing Director, Dr. Athiya Agarwal, Wholetime Director, Ms Sudha, Wholetime Director, it is proposed to increase their remuneration as set out in the notice and reappoint them for a period of three years w.e.f.1-10-2005.

Dr. J. Agarwal, Dr. Mrs. T. Agarwal, Dr. Amar Agarwal and Dr. Athiya Agarwal are highly qualified and experienced ophthalmologists and through their hard work have contributed to the development and growth of your company in becoming one of the most advanced eye care centres in India.

Through their professional and managerial expertise the hospital has a perfect blend of the state of art equipment, dedicated and experienced surgeons and efficient management systems to integrate all the hospital functions resulting in smooth service delivery. The hospital since its inception has introduced most advanced equipment and trained professional to run them. The hospital is also known for its several ophthalmological advancements and it has become a one stop point for all kinds of ophthalmic problems. The hospital has also achieved ISO quality certification to ensure that service delivery process adheres to international standards.

Dr. J. Agarwal, Chairman-cum-Wholetime Director, Dr. Mrs. T. Agarwal, Managing Director, Dr. Amar Agarwal, Joint Managing Director and Dr. Athiya Agarwal, Wholetime Director do not charge any fee for the consultancy and operations conducted by them. Therefore keeping their professional contribution as ophthalmologists to the company the increase in remuneration is reasonable and is less than the remuneration of Rs. Two Lakhs per month per director as eligible under Companies Act 1956. Ms. Sudha, Whole time Director's contribution in her professional capacity as a Contact lens specialist and as a managerial personnel of the company is highly appreciable. The increase in her remuneration is reasonable.

The Remuneration Committee of the Board of Directors at its meeting held on 25-06-05 has recommended the above said remuneration.

The Explanatory Statement read with the proposed resolution may be treated as an abstract of the 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.

None of the Directors of the company except Dr. J. Agarwal, Dr. Mrs. T. Agarwal, Dr. Amar Agarwal, Dr. Athiya Agarwal, Mr. Adil Agarwal and Ms. Sudha are in any way concerned or interested in the above resolution.

Chennai

Date : 30-06-2005

By Order of the Board  
Sd/-

**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	Director-Ship in Other Public Companies	Chairman/ Member of Committee
Dr. Amar Agarwal	Ophthalmology	M.S., F.R.C.S., F.R.C.Ophth. (London)	Dr. Agarwal's Pharma Ltd.	Nil
Ms. Sudha	Contact Lens Specialist	B.A. (Hons.)	Dr. Agarwal's Pharma Ltd.	Nil
Dr. Steve Charles	Ophthalmology	M.D.	Nil	Nil
Mr. Prabhat Toshniwal	Business & Finance	B.Sc.	Nil	Member of Audit Committee
Mr. Adil Agarwal	Medical	M.B.B.S.	Nil	Nil
Dr. J. Agarwal	Ophthalmology	FICS., DOMS, F.O.R.C.E	Dr. Agarwal's Pharma Ltd.	Nil
Dr. (Mrs.) T. Agarwal	Ophthalmology	FICS., DO, F.O.R.C.E	Dr. Agarwal's Pharma Ltd.	Nil
Dr. Athiya Agarwal	Ophthalmology	M.D. (Path.), F.R.S.H. (Lon.), D.O.	Dr. Agarwal's Pharma Ltd.	Nil

## 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 31<sup>st</sup> March 2005 and the Profit and Loss account for the year ended on that date.

### 2. FINANCIAL PERFORMANCE

The financial results for the year ended 31<sup>st</sup> March 2005 are as under:

		Rs. (In Lacs)
	31.03.2005	31.03.2004
Profits before depreciation and interest	316.27	231.92
Depreciation	152.32	97.77
Interest	10.05	10.64
Profit before Tax	153.90	123.51
Provision for taxation	51.37	38.00
Provision for Dividend	39.00	39.00
Tax on proposed Dividend	5.20	5.00
Surplus carried to Balance Sheet	187.49	98.45

### 3. DIVIDEND

The Directors recommend a dividend of 12% per annum.

### 4. YEAR IN RETROSPECT

Dr. Agarwal's Eye Hospital Ltd. has started its branch at Jaipur. Your Hospital has opened a Medical Enclave at Nungambakkam, Chennai and a Franchisee Centre at Thiruvannamiyur, Chennai as Referral Centres of the Hospital.

After the success of "Dr. Agarwal's Vasans Eye Hospital" Trichy and Salem, your Hospital has also tied up with the same group for a center at Calicut, Kerala. Your hospital earns technical know how fees from these centers. Your hospital has also tied up with the Gokulam Group for a hospital at Trivandrum.

Tele-ophthalmic service has been started by your hospital and the same was inaugurated by the Hon'ble Union Minister of Communication & Information Technology, Thiru Dayanidhi Maran. With this facility people in remote areas can access our service.

This year also your Directors Dr. Amar Agarwal and Dr. Athiya Agarwal were given the privilege of conducting Instruction Courses at the American Society of Cataract & Refractive Surgery.

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 feed back received from our patients.

### 5. DIRECTORS

Dr. Amar Agarwal, Dr. Steve Charles and Ms. Sudha, retire by rotation and being eligible, offer themselves for re-appointment.



**6. AUDITORS**

The auditors of the Company M/s. M. K. Dandeker & 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. 30.70 Lacs

**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 judgments 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 2005-2006.

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

Your company has already sent a letter 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.

### 14. UNCLAIMED DIVIDEND:

Dividend declared at the Annual General Meeting held on 23rd September 1998, 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. During the year under review the company has credited dividends declared at the Annual General Meeting held on 17<sup>th</sup> September 1997 and which remained unclaimed and unpaid, to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956 and the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

### 15. 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

Sd/-  
**Dr. Mrs. T. Agarwal**  
Managing Director

Chennai  
Date : 30-06-2005

Sd/-  
**Dr. J. Agarwal**  
Chairman