SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Dr. Agarwal's Eye Hospital Limited

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



Twelth Annual Report
2005 - 2006

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

12th Annual Report

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

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 12th Annual General Meeting of the shareholders of the company will be held on 29th August 2006 at 10.30 a.m. at 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 2006 and the Balance Sheet as at 31st March 2006 and the Auditor's Report thereon.
2. To declare a dividend.
3. To appoint a director in the place of Dr. Athiya Agarwal, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a director in the place of Mr. Prabhat Toshniwal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a director in the place of Dr. Adil Agarwal, 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. Dandeker & Co., Chartered Accountants, Chennai, retire and are eligible for reappointment.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification the following resolutions

7. As an Ordinary Resolution:

   "RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to borrow money, notwithstanding the fact money to be borrowed, together with monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the aggregate of the monies so borrowed shall not exceed the sum of Rupees 25 crores.

8. As an ordinary resolution:

   "RESOLVED THAT pursuant to the provisions of section 293 (I) (a) and other applicable provisions, if any, of the companies Act, 1956(thereinafter referred to as the Act) including any statutory modification or reenactment thereof for the time being in force and as may be enacted from time to time, the consent of the company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as 'the Board'), to mortgage and / or charge, in addition to the mortgages and / or charges created / to be created by the Company, on such terms and conditions and at such time or times and in such form or manner as it may think fit, on all or any of the movable and / or immovable properties of the Company, both present and future and / or the whole or substantially the whole of the company's anyone or more or all of the undertakings, in favor of the Company's Bankers

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

and / or Financial Institutions and / or bodies corporate and / or other lenders, to secure the loans and / or advances and / or cash credit and / or over draft facilities and / or the amount of debentures whatsoever, whether raised and / or to be raised and whether issued and / or to be issued, together with interest thereon, additional interest, compound interest in the event of default, accumulated interest, commitment charges, liquidated damages, premium or redemption, premium on prepayment trustee's remuneration, costs charges, expenses and other monies as may be 1 thought expedient by the Board or any Committee thereof and in such manner as may be agreed to between the concerned parties, subject, however, that the total amount up to which money may be borrowed shall not exceed, in the aggregate, the total limit approved by the shareholders, from time to time, pursuant to the provisions of Section 293 (I) (d) and other applicable provisions, if any of the Act.

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or any committee thereof, be and is hereby authorised to finalise, settle, delegate and execute such documents, deeds, writings and agreements, as may be required and to do all such acts, deeds, matters and things, it may in its absolute discretion deem necessary, proper, expedient or desirable and to settle any question, difficulty or doubt that may arise in regard to creating the aforesaid mortgages and/ or charges. "

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

Chennai
Date : 26-06-2006

Report Junction.com

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 22nd August 2006 to 29th August 2006. (both days inclusive)
3. Dividends will be paid to those shareholders whose names appear on the company's Register of Members on 29th August 2006, or their order.
4. 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.
5. 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.
6. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
7. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered otlice of the company well in advance so that the same may reach at least seven days before the date of

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

meeting to enable the management to keep the required information readily available at the meeting.

8. **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. Athiya Agarwal	Ophthalmology	M.D. (Path.), F.R.S.H. (Lon.), D.O.	Dr. Agarwal's Pharma Ltd.	Nil
Mr. Prabhat Toshniwal	Business & Finance	B.Sc.	Nil	Nil
Dr. Adil Agarwal	Medical	M.B.B.S.	Nil	Nil

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

Chennai
Date : 26-06-2006

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956 :

Item No.7

Keeping in view the present size of operations and future growth plans, the Company may borrow sums of money which may exceed the limits. Accordingly, it is expedient that the Board of Directors of the Company may be authorised to borrow in excess of the paid up capital and free reserves subject to a maximum ofRs.25 crores

As per the provisions in Section 293 (I) (d) of the Companies Act, 1956, such increase in the borrowing power of the Board of Directors needs approval from the shareholders.

Accordingly, your consent is sought for the same.

NONE OF THE DIRECTORS IS IN ANY WAY CONCERNED OR INTERESTED IN THIS RESOLUTION.

Item No.8

In the course of business, the company acquires movable and immovable properties i.e., plants, machineries, equipments and vehicles etc., through borrowings from banks and financial institutions. Resultantly, more or less all the plants, machineries, equipments and vehicles etc., so acquired by the company from the borrowings of the company from the banks and financial institutions are mortgaged and / or hypothecated to the banks and / or financial institutions as and by way of security.

Since Section 293 (1) (a) provided that a company cannot except with the approval of the company in a general meeting mortgage of whole or substantially the whole of the undertaking(s) of the Company, as and by way of abundant caution and for the continued growth in business of the company, it has been advised to obtain an enabling resolution under this item.

NONE OF THE DIRECTORS IS IN ANY WAY CONCERNED OR INTERESTED IN THIS RESOLUTION.

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

Chennai
Date : 26-06-2006

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

DIRECTOR'S REPORT

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 2006 and the Profit and Loss account for the year ended on that date.

PERFORMANCE

The financial results for the year ended 31st March 2006 are as under:

Rs. (In Lacs)

	31.03.2006	31.03.2005
Profits before depreciation and interest	272.80	316.27
Depreciation	163.70	152.32
Interest	7.20	10.05
Profit before Tax	101.90	153.90
Provision for taxation	70.88	51.37
Provision for Deferred Tax	-26.88	0.00
Provision for Dividend	39.00	39.00
Tax on proposed Dividend	5.47	5.20
Surplus carried to Balance Sheet	129.55	187.49

Dr. J. Agarwal was awarded Padma Bhushan by the President of India.

DIVIDEND

The Directors recommend a dividend of 12% exclusive of dividend tax for the financial year ended 31st March 2006.

DIRECTORS

Dr. Athiya Agarwal, Mr. Prabhat Toshniwal and Dr. Adil Agarwal, retire by rotation and being eligible, offer themselves for re-appointment.

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.

STATUTORY DISCLOSURES:

The Information as per Section 217 (2A) of the Companies Act 1956 required to be given in the Directors report is annexed herewith. The company had no foreign exchange inflow but there was an outflow of Rs.76.67 lacs (P.Y.Rs.31.46 lacs) towards import of equipments / and foreign travels.

OBSERVATION ON AUDITORS REPORT, IF ANY

The board hereby clarifies the following :

1. The board had decided to verify the fixed assets at a regular interval

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

2. The auditors has recommended some internal control processes which need to be strengthened and same has been forwarded to audit committee for its perusal and implementation.

DIRECTORS' RESPONSIBILITY STATEMENT :

Directors hereby declare

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.

CORPORATE GOVERNANCE :

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2006 is annexed duly certified by the auditors of the company is annexed (Annexure - B)

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 : 26-06-2006

Sd/-
Dr. J. Agarwal
Chairman

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Annexure - A to the Directors' Report

Name	Age	Designation	Date of Joining	Gross Remuneration	Qualification	Previous Employment & Designation
S. Rajagopalan	39	CEO, President	01-12-2005	Rs.8,00,000	B.Sc.	Vice-President Sales & Marketing Micro Labs Ltd.

Gross Remuneration includes Basic, Conveyance, HRA, Leave Encashment and Medical Reimbursement.

Annexure - B to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

1. DR. AGARWAL'S Approach to Business

Our company has performed well in the past as the company's approach towards business was very ethical. The company has a wide range of stakeholders including its shareholders, the investment community, customers, suppliers, employees and their families and the local community within which its operations are situated.

DR. AGARWAL'S strives to run itself with such professionalism that all its stakeholders are proud of their relationship with the company.

II. Performance Review

The company had achieved a turnover of Rs. 1470.16 lacs and made a profit of Rs.101.90 lacs as compared to Rs.153.90 lacs. The nett profit of the company is reduced to the tune of Rs.60.42 lacs as we had applied AS 26 accounting standards as prescribed by ICAI.

III. Risks & Concerns

The company is exposed to a range of industrial segments each with its own drivers of demand. The outlook for the various segments of the hospital industry depends upon the development in science and the number of patients the hospital serves. Also the company faces the risk of obsolescence of equipments and competition in the industry.

IV. *Internal Control Systems*

The company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure the following:

- **that all assets and resources are used efficiently and are adequately protected.**
- **that all internal policies and statutory guidelines are complied with.**
- **the accuracy and timing of financial reports and management information.**

All internal audit reports and the progress in implementing any matters arising from them are reviewed by the Audit Committee of the Board. The role of the Audit Committee is discussed in more detail in the Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

I. Nature and Role of the Board of Directors

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

The company's board comprises individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, finance and accounting All board members have a significant breadth of business experience.

II. Company's Vision

The company's vision is to create value for its stakeholder, employees and its associates.

III. Business Strategy

The company's business strategy is to improve its business performance:

IV. Company Values

All employees are committed to values like customer satisfaction, quality production and cordial relationship with all associates.

V. Integrity of Financial Reporting

The company ensures that adequate controls are in place to provide accurate and timely financial statements. The internal audit process is supervised by the audit committee of the board and is undertaken by qualified accountants.

VI. Disclosure of Information to Investors

DR. AGARWAL'S ensures the timely disclosure of all material information in compliance with applicable laws.

2. BOARD OF DIRECTORS

I. Composition and Category of Directors

The board comprises 12 members - 5 executive director and 7 non-executive directors, of which 6 are independent. There were no changes in the composition of the board during 2005-06.

II. Board Meetings & Attendance of Directors

During the year 2005-2006, 12 (Twelve) Board Meetings were held at # 19. Cathedral Road, Chennai-600 086 on the following dates:

(1) 06-04-2005	(2) 01-06-2005	(3) 30-06-2005	(4) 05-07-2005
(5) 09-07-2005	(6) 28-07-2005	(7) 21-09-2005	(8) 26-11-2005
(9) 02-12-2005	(10) 25-01-2006	(11) 06-03-2006	(12) 08-03-2006

III. BOARD OF DIRECTORS COMPOSITION AND CATEGORY OF DIRECTORS:

Name	Designation	Category	No. of Board Meetings attended during 2005-06	Whether attended last AGM	No. of director-ships in public compa-nies	No. of committee memberships / (chairman-ship) in public companies
1. Dr. J. Agarwal	Chairman-cum-Whole Time Director	Executive & Non-inde-pendent (Promoter)	12	YES	1	NIL

www.reportjunction.com