

Dr. Agarwal's Eye Hospital Limited

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



**Sixteenth Annual Report
2009 – 2010**

16th Annual Report

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|------------------------------|---|
| Board of Directors | Dr. Amar Agarwal (Chairman cum Managing Director) Dr. Athiya Agarwal (Wholetime Director) Dr. Jasvinder Singh Saroya Dr. Sasikanth R. R. Mr. M. R. G. Apparao Mr. Prabhat Toshniwal Dr. Adil Agarwal Dr. Ashvin Agarwal Dr. Dipan Desai Mr. Sanjay Anand Dr. Anosh Agarwal |
| Auditors | M/s. M. K. Dandeker & Co. Chartered Accountants 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. (2) State Bank of India, Industrial Finance Branch, Chennai 600 002. |
| Share Transfer Agents | Integrated Enterprises India Ltd. 2 nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017 Tel : 2814 0801-03 |

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of the shareholders of the company will be held on 24th August 2010 at 11.00 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 Audited Balance Sheet of the Company as at 31st March 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To re-appoint a director in the place of Dr.Athiya Agarwal who retires by rotation.
4. To re-appoint a director in the place of Mr M.R.G.Appa Rao who retires by rotation.
5. To re-appoint a director in the place of Dr.Sasikanth, who retires by rotation.
6. To appoint the Auditors and to fix their remuneration. The retiring auditors, M/s M.K.Dandekar & Co., Chartered Accountants, Chennai, are eligible for reappointment.

SPECIAL BUSINESS

To consider and if thought fit to pass with or without modification(s), the following Resolutions:

7. As a SPECIAL Resolution:

“RESOLVED THAT subject to the provisions of Section 198 and 309 and other relevant provisions of the Companies Act, 1956 and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Dr.Amar Agarwal as Managing director of the company for a period of three years with effect from 1st October 2010 and he be paid remuneration by way of salary, commission and perquisites in accordance with Part II (B) of Schedule XIII of the Act which shall not exceed Rs.3,00,000/- (Rupees Three Lacs) per month.(Including the remuneration to be paid to him in the event of loss of inadequacy of profits in any financial year during the above said period).”

8. As a SPECIAL Resolution:

“RESOLVED THAT subject to the provisions of Section 198 and 309 and other relevant provisions of the Companies Act, 1956 and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Dr.Athiya Agarwal as whole time director of the company for a period of three years with effect from 1st October 2010 and she be paid remuneration by way of salary, commission and perquisites in accordance with Part II (B) of Schedule XIII of the Act which shall not exceed Rs.3,00,000/-(Rupees Three Lac) per month.(Including the remuneration to be paid to her in the event of loss of inadequacy of profits in any financial year during the above said period).”

9. As a SPECIAL Resolution:

“RESOLVED THAT , subject to the approval of the members of the company and subject to the provisions of Section 198 , 309 , other relevant provisions of the Companies Act, 1956 and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Dr.Adil Agarwal as whole time director of the company for a period of three years with effect from 1st May 2010 and he be paid remuneration by way of salary, commission and perquisites in accordance with Part II (B) of Schedule XIII of the Act which shall not exceed Rs.2,50,000/-(Rupees Two Lac and Fifty Thousand) per month.(Including the remuneration to be paid to him in the event of loss of inadequacy of profits in any financial year during the above said period).”

10. As a SPECIAL Resolution:

“RESOLVED THAT , subject to the approval of the members of the company and subject to the provisions of Section 198 , 309 , other relevant provisions of the Companies Act, 1956 and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Dr.Anosh Agarwal as whole time director of the company for a period of three years with effect from 01/05/2010 and he be paid remuneration by way of salary, commission and perquisites in accordance with Part II (B) of Schedule XIII of the Act which shall not exceed Rs.2,50,000/-(Rupees Two Lac and Fifty Thousand) per month.(Including the remuneration to be paid to him in the event of loss of inadequacy of profits in any financial year during the above said period).”

By Order of the Board

Sd/-

Dr.AmarAgarwal

Chairman Cum Managing Director

Place: Chennai

Date : 28.04.2010

NOTES:-

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
2. A MEMBER OF THE COMPANY, WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. Instrument of Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the Annual General Meeting. A Form of Proxy is enclosed.
4. The Register of members and the share transfer books of the company will remain closed from 17th August 2010 to 24th August 2010. (both days inclusive)
5. Dividends will be paid to those shareholders whose names appear on the company's Register of Members on 24th August 2010.

6. 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.
7. 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.
8. 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.
9. 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 office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General meeting of the Company. Also refer to the explanatory statement to the notice for other appointees details.

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,F.R.S.H(Lon.) D.O. | NIL | NIL |
| Dr.Sasiknath R.R | Ophthalmology | M.D. | NIL | Chairman-Remuneration Committee, Member Shareholders/ Investors' Grievance & Audit Committee. (up to 28.04.10) |
| Mr.M.R.G.Apparao | Consultant | B.Sc,DMIT,PGDM (IIM Calcutta) | NIL | Chairman-Audit Committee, Member Remuneration & Shareholders/ Investors' Grievance Committee. |

By Order of the Board

Sd/-

Dr. Amar Agarwal

Chairman Cum Managing Director

Place : Chennai

Date : 28.04.2010

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

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

ITEM: 3,7 , 8,9 and 10

Dr. Amar Agarwal (Managing Director) , Dr. Athiya Agarwal (Wholetime Director) are the torch bearers of great legacy of the founders and their parents Dr.J.Agarwal and Dr.(Mrs.)T.Agarwal.. Being associated with the Company from its inception, both of them have hands-on experience of Company operations and is fully seized of the problems and challenges in store. During their tenure, the Company has grown rapidly with net work of more than 30 hospitals with 350 eye specialists rendering yeoman service to the visually challenged.

Both Dr.Adil Agarwal and Dr.Anosh Agarwal are qualified M.S having experience in Ophthalmology under their parents guidance.

The resolution at Item Nos. 3,7 , 8,9 and 10, of the notice seeks approval of the members in respect of the re-appointment and payment of remuneration to these directors as the Managing Director / whole time director/s of the company. The Board of Directors of the company at its Meeting held on 28/04/2010 has subject to the approval of the Members of the company in General Meeting and by other approval as may be necessary, appointed Dr. Amar Agarwal (Managing Director) & Dr. Athiya Agarwal (Wholetime Director) for a period of three years with effect from 01.10.2010 And Dr. Adil Agarwal and Dr. Anosh Agarwal as whole time directors from 01/05/2010 on the remuneration as approved and recommended by the Compensation Committee.

Statement pursuant to sub-clause (iv) of Clause (1B) of Section II of Part II of Schedule XIII of the Companies Act, 1956

I. GENERAL INFORMATION

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|--|---|--|--------------|-------|---------|------------------|-------|-----------------------|--------|--------------------|--------|-----------------|---------|--------------|----------------|-------------------|------|--|-----|---|----------------|
| 1. Nature of Industry | EYE HOSPITAL | | | | | | | | | | | | | | | | | | | | |
| 2. Date of Commencement of Business | 12 th July, 1994 | | | | | | | | | | | | | | | | | | | | |
| 3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in prospectus. | Not Applicable | | | | | | | | | | | | | | | | | | | | |
| 4. Financial Performance | <table> <tr> <td></td><td style="text-align: right;">Rs. in Lakhs</td></tr> <tr> <td>Sales</td><td style="text-align: right;">8889.48</td></tr> <tr> <td>Profit after Tax</td><td style="text-align: right;">52.41</td></tr> <tr> <td>Paid-up Share Capital</td><td style="text-align: right;">450.00</td></tr> <tr> <td>Reserves & Surplus</td><td style="text-align: right;">560.66</td></tr> <tr> <td>Long term loans</td><td style="text-align: right;">2757.86</td></tr> <tr> <td>Total</td><td style="text-align: right;">3768.52</td></tr> <tr> <td>Less: Investments</td><td style="text-align: right;">3.19</td></tr> <tr> <td>Preliminary Expenses (To the extent not written off)</td><td style="text-align: right;">Nil</td></tr> <tr> <td>Effective Capital as on 31-03-10</td><td style="text-align: right;">3765.33</td></tr> </table> | | Rs. in Lakhs | Sales | 8889.48 | Profit after Tax | 52.41 | Paid-up Share Capital | 450.00 | Reserves & Surplus | 560.66 | Long term loans | 2757.86 | Total | 3768.52 | Less: Investments | 3.19 | Preliminary Expenses (To the extent not written off) | Nil | Effective Capital as on 31-03-10 | 3765.33 |
| | Rs. in Lakhs | | | | | | | | | | | | | | | | | | | | |
| Sales | 8889.48 | | | | | | | | | | | | | | | | | | | | |
| Profit after Tax | 52.41 | | | | | | | | | | | | | | | | | | | | |
| Paid-up Share Capital | 450.00 | | | | | | | | | | | | | | | | | | | | |
| Reserves & Surplus | 560.66 | | | | | | | | | | | | | | | | | | | | |
| Long term loans | 2757.86 | | | | | | | | | | | | | | | | | | | | |
| Total | 3768.52 | | | | | | | | | | | | | | | | | | | | |
| Less: Investments | 3.19 | | | | | | | | | | | | | | | | | | | | |
| Preliminary Expenses (To the extent not written off) | Nil | | | | | | | | | | | | | | | | | | | | |
| Effective Capital as on 31-03-10 | 3765.33 | | | | | | | | | | | | | | | | | | | | |
| 5 Export performance and net Foreign Exchange Collaborations, if any | NIL | | | | | | | | | | | | | | | | | | | | |
| 6. Foreign investments or Collaborations, if any | NIL | | | | | | | | | | | | | | | | | | | | |

II. INFORMATION ABOUT APPOINTEE:

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| Dr. Amar.Agarwal | |
| 1. Background details | Dr. Amar Agarwal, 50 years, has been the Director of the company since its inception. He is MS, F R C S, F R C. Opht.(London) He has over 18 years experience in Eye Care Industry . |
| 2. Past Remuneration | Rs.250000/- per month (cost to the Company). |
| 3. Recognition or awards | Kelman Award by Hellenic Society of Greece Barraquer Award by the Keretomileusis Study Group, American Academy Achievement Award by the American Academy and many Video awards at American Academy of Ophthalmology, American Society of Cataract & Ref.Surgery convention and European Society of Cataract & Refractive Surgery convention. He has won National Awards like Scientific innovation award, Champion of Humanity award and Outstanding achievement award for his invention of Phakonit and Microphakonit- a significant milestone in cataract surgery. |
| 4. Job Profile and his suitability | Dr. Amar Agarwal is entrusted with overall control and supervision of the company. He is having substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company. |
| 5. Remuneration proposed | Rs.3,00,000/- per month |
| 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person | The remuneration, is the minimum as compared with that one paid by other companies in the same line of business and of similar size, for a professional of his stature and experience. |
| 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person, if any | He is related to Dr. Athiya Agarwal, Dr. Adil Agarwal and Dr. Anosh Agarwal |

By Order of the Board

Sd/-

Place : Chennai

Date : 19.05.2009

Dr. Amar Agarwal
Chairman Cum Managing Director

| | |
|--|---|
| b) Dr. Athiya Agarwal | |
| 1 Background details | Dr. Athiya Agarwal 54 years, has been the Director of the company since its inception. She is M D, F R S H (London), DO, She has over 18 years experience in Eye Care Industry. |
| 2 Past Remuneration | Rs.250000/- per month (cost to the Company). |
| 3 Recognition or awards | She has won many International video awards for her videos. |
| Job Profile and his suitability | She is entrusted with substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company. |
| Remuneration proposed | Rs.3,00,000/- per month |
| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person | The remuneration, is the minimum as compared with that one paid by other companies in the same line of business and of similar size. for a professional of her stature and experience. |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person, if any | She is related to Dr. Amar Agarwal , Dr. Adil Agarwal and Dr.Anosh Agarwal |
| c) Dr. Adil Agarwal | |
| 1 Background details | Dr. Adil Agarwal 27 years, has been the Director of the company for the past five years.He is qualified MS. |
| 2 Past Remuneration | NIL |
| 3 Recognition or awards | -- |
| Job Profile and his suitability | He is entrusted with overall control and supervision of the company. He is having substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company. |
| Remuneration proposed | Rs.2,50,000/- per month |

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| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person | The remuneration, is the minimum as compared with that one paid by other companies in the same line of business and of similar size. |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person, if any | He is related to Dr. Amar Agarwal , Dr.Athiya and Dr.Anosh Agarwal |
| d) Dr. Anosh Agarwal | |
| 1 Background details | Dr. Anosh 25 years, has been the Director of the company for the past two years. He is qualified MS. |
| 2 Past Remuneration | NIL |
| 3 Recognition or awards | - - |
| Job Profile and his suitability | He is entrusted with overall control and supervision of the company. He is having substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company. |
| Remuneration proposed | Rs.2,50,000/- per month |
| Comparative remuneration profile with respect to industry, size of the company, profile of the position and person | The remuneration, is the minimum as compared with that one paid by other companies in the same line of business and of similar size. |
| Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person, if any | He is related to Dr. Amar Agarwal , Dr.Athiya and Dr.Adil Agarwal |

III. OTHER INFORMATION

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| 1 Reasons for loss or inadequate profits | As on 31 st March, 2010 the Company posted a net profit of Rs. 52.41 lakhs. As per the provisions of Schedule XIII, these would be inadequate for payment of remuneration to the two professionals. |
| 2 Steps taken for improvement | Company is taking steps to reduce costs and to increase sales so as to increase the profits. |
| 3 Expected increase in productivity and profits in measurable terms | The Company expects that improvement in business environment and several steps being taken to enhance revenue and reduce costs, which may yield better Profit in the years to come before tax. |

All the directors except Dr.Jaswinder Saroya , Mr. M. R. G. Apparao , Mr.Sanjay Anand , Dr. Sasikant, Dr.Dipan Desai and Mr. Prabhat Toshniwal may deemed to interested or concerned to the extent of remuneration may be paid to them as proposed in the respective resolution.

By Order of the Board
Sd/-

Place : Chennai
Date : 19.05.2009

Dr. Amar Agarwal
Chairman Cum Managing Director