



Dr. Agarwal's Eye Hospital Limited

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



Seventeenth
Annual Report
2010-2011



Dr. Agarwal's Eye Hospital Limited

17th Annual Report

Board of Directors

Dr. Amar Agarwal (Chairman cum Managing Director)
Dr. Athiya Agarwal (Wholetime Director)
Dr. Adil Agarwal (Wholetime Director)
Dr. Anosh Agarwal (Wholetime Director)
Dr. Jasvinder Singh Saroya
Mr. M.R.G. Apparao
Mr. Prabhat Toshniwal
Mr. Sanjay Anand

Auditors

M/s. M. K. Dandekar & 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.
2nd Floor, Kences Towers, No. 1, Ramakrishna Street,

Hearty Tributes to Founders



Padmabhushan Late Dr. J. Agarwal
Founder Chairman



Late Dr. (Mrs.) T. Agarwal
Founder Managing Director



NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting of the shareholders of the company will be held on 23rd August 2011 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 2011, 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.Adil Agarwal who retires by rotation.
4. To re-appoint a director in the place of Mr. Sanjay Anand who retires by rotation.
5. To re-appoint a director in the place of Dr.Anosh Agarwal,who retires by rotation.
6. To appoint Auditors and to fix their remuneration. The retiring auditors, M/s M.K.Dandeker & Co., Chartered Accountants, Chennai, are eligible for re-appointment.

SPECIAL BUSINESS

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

7. As an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to borrow moneys, notwithstanding the fact the moneys to be borrowed, together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of its 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 moneys so borrowed shall not exceed the sum of Rupees One hundred Crores.

By Order of the Board
Sd/-

Place : Chennai
Date : 17.05.2011

Dr.AmarAgarwal
Chairman Cum Managing Director

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 16th August 2011 to 23rd August 2011. (both days inclusive)
5. Dividends will be paid to those shareholders whose names appear on the Company's Register of Members on 23rd August 2011.
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 from 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. Adil Agarwal	Ophthalmology	M.S.,	1	NIL
Mr.Sanjay Anand	Business	B.Com., ACA	NIL	Member Remuneration Committee, Member Shareholders/ Investors' Grievance & Audit Committee.
Dr. Anosh Agarwal	Ophthalmology	M.S.,	1	NIL

By Order of the Board
Sd/-

Place : Chennai
Date : 17.05.2011

Dr. Amar Agarwal
Chairman Cum Managing Director

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

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

ITEM: 7

The Company is having major expansion plans which would warrant substantial borrowings. Under Section 293(1)(d) of the Companies Act, 1956, the Board of Directors, except with the consent of the Company in a General Meeting, cannot borrow moneys in excess of the aggregate of the Paid-up Capital and Free Reserves of the Company, that is to say, Reserves not set apart for specific purpose.

In order to provide for the borrowing of additional funds needed due to the increase in working capital and equipments requirements of the Company for its expansion plans, it is proposed to increase the existing borrowing limit of Rs.50 Crores to Rs.100 Crores. Accordingly, the consent of the Shareholders, under Section 293(1)(d) of the Act is being requested to enable the Directors to borrow moneys to the extent of Rs.100 Crores.

None of the Directors is interested or concerned in the said Resolution.

By Order of the Board
Sd/-

Place : Chennai

Date : 17.05.2011

Dr. Amar Agarwal
Chairman Cum Managing Director

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the SEVENTEENTH ANNUAL REPORT and that of the Auditors together with the audited Balance Sheet as at 31st March 2011 and the Profit and Loss account for the year ended on that date.

PERFORMANCE

The financial results for the year ended 31st March 2011 are as under:

	Rs. (In Lakhs)	
	31.03.2010	31.03.2011
Income	8889.48	10421.60
Profits before depreciation and interest	1138.13	1389.20
Depreciation	613.96	601.51
Interest	424.96	426.13
Profit before Tax	99.21	361.56
Provision for taxation	46.80	156.62
Profit After Tax	52.41	204.94
Provision for Dividend	36.00	54.00
Tax on proposed Dividend	6.12	8.97
Transfer to general Reserve	5.00	5.00
Surplus carried to Balance Sheet	95.66	232.64

COURSE OF BUSINESS AND OUTLOOK

During the year under review, progress has continued in the company's performance. Your company had achieved a turnover of Rs.104.22 crores as compared to the turnover of Rs. 88.89 crores, which is 17% growth over the previous year level. The profit before tax was Rs.361.56 lakhs as compared to Rs.99.21 lakhs in the previous year. The board of directors have planned to consolidate the performance of existing hospitals for the current year.

FIXED DEPOSIT:

The Company has not accepted any fixed deposit during the year.

DIVIDEND

The Directors recommend a dividend of 12% exclusive of dividend tax for the financial year ended 31st March 2011.

DIRECTORS

Dr. Adil Agarwal, Mr.Sanjay Anand and Dr.Anosh Agarwal retire by rotation and are eligible for re-appointment.

INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to section 205C of the Companies Act, 1956, your company has transferred a sum of Rs.171353/- being unclaimed final dividend for the year 2002-03.

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.

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

The Company has no employees, attracting the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO:

Significant measures are being taken to reduce energy consumption by using energy-efficient equipment. The Company has brought effective eye care based on international standards within the reach of every individual. The Company is engaged in conducting continuous research and development programs and has over a period, developed an excellent team of highly skilled Ophthalmic specialists and surgeons.

FOREIGN EXCHANGE EARNINGS/OUTGO:

Foreign Earnings : Rs. 11.87 Lakhs towards training

Foreign Outgo : Rs. 69.09 Lakhs towards purchase of medical equipment and others

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 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 subject to the inherent limitations that should be recognized in weighing the assurance ;
- iv) That the directors had prepared the annual accounts on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE:

In terms of Section 383A(1) of the Companies Act, 1956, and Companies (Compliance Certificate) Rules, 2001, the certificate issued by M/S N.K.BHANSALI & CO., Company Secretary in whole time practice is attached to the Report.

EMPLOYEE RELATIONS:

Employee relations throughout the company were harmonious. The board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver another record performance.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2011 duly certified by the auditors of the company is annexed (Annexure - B)

ACKNOWLEDGEMENTS:

Your directors would like to express their grateful appreciation for the support and co operation of all stakeholders. At the very heart of our success and our ability to deliver quality service and satisfaction is the considerable skill and motivation of our employees. On behalf of all the company's stakeholders who benefit from the hard work of the employees, the Board would like to express its sincere appreciation and gratitude.

For and on behalf of the Board
Sd/-

Place: Chennai
Date : 17.05.2011

Dr.AmarAgarwal
Chairman Cum Managing Director

Annexure - A to the Directors' Report**1. MANAGEMENT DISCUSSION AND ANALYSIS**

- I. Dr. Agarwal's Eye Hospital is one of the pioneers in eye health care hospitals. Our Company's identity in the industry is well established and it's a brand in the market as far as eye care is concerned. Today the company is catering to various corners of Chennai city and parts of Tamilnadu along with operations at Jaipur and Chittoor.

II. Performance Review

During the year, the company had achieved a turnover of Rs.104.22 crores as compared to Rs. 88.89 crores in last year and made a profit of Rs.204.94 lakhs as compared to Rs.52.41 lakhs in the previous year.

III. Risks & Concerns

The main risk to which the company is exposed in competition from the various competitors, development in science and the number of patients, the hospital serves. The company has expanded its operations by opening up various centres on its own and on arrangement basis to serve the patients at the nearest possible location. These, we believe will strengthen the company to weather any unforeseen volatility in its operations.

IV. Internal Control Systems

The Company has adequate internal control systems and procedures commensurate with the size and nature of its business. The Company has an Audit Committee comprising of Non Executive Directors to monitor the functioning.

2. CORPORATE GOVERNANCE REPORT

Corporate Governance refers to the manner, in which a company is directed, and laws and custom affecting that direction. It includes the manner in which Company operates under various laws governing it, the bye laws established by itself for its operations and the distribution of rights and responsibilities primarily among directors and managers. The fundamental concern of Corporate Governance is to ensure conditions whereby a Company's directors and managers act in the interest of the Company.

Dr. Agarwal's Eye Hospital is committed to highest standards of Corporate Governance in all its activities.

I. Board of Directors

The present Company's board strength is 8 comprising of 4 executive director and 4 non-executive independent directors.

During the year 2010-11, 6 (Six) Board Meetings were held at # 19, Cathedral Road, Chennai-600 086 on the following dates:

28/04/2010, 31/05/2010, 27/07/2010, 27/10/2010, 25/01/2011 and 31/03/2011

III. COMPOSITION AND CATEGORY OF DIRECTORS:

Name	Designation	Category	No. of Board Meetings attended during 2010-11	Whether attended last AGM	No. of directorships in other public companies	No. of Committee memberships (Chairmanship) in public Companies
1. Dr. Amar Agarwal	Chairman-cum-Managing Director	Executive & Non-independent (Promoter)	6	YES	2	NIL
2. Dr. Athiya Agarwal	Whole Time Director	Executive & Non-independent (Promoter)	6	YES	3	NIL
3. Dr. Jasvinder Singh Saroya	Director	Non Executive Independent	NIL	NO	NIL	NIL
4. Mr. M. R. G. Apparao	Director	Non Executive Independent	3	YES	NIL	NIL
5. Dr. Adil Agarwal	Whole Time Director	Executive & Non-Independent (Promoter)	6	NO	1	NIL
6. Mr. Prabhat Toshniwal	Director	Non Executive Independent	2	NO	NIL	NIL
7. Mr. Sanjay Anand	Director	Non Executive Independent	4	YES	NIL	NIL
8. Dr. Anosh Agarwal	Whole Time Director	Executive & Non Independent (Promoter)	6	NO	1	NIL