18th Annual Report

2011 - 2012



Dr. Agarwal's Eye Hospital Limited

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

Our 55th Anniversary Celebration



His Excellency Dr K. Rosaiah, The Governor of Tamil Nadu gracing the 55th Anniversary function held on 9th February, 2012 at Chennai, India

Hearty Tributes to Founders



Padmabhushan Late Dr. J. Agarwal
Founder Chairman



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

Imparting knowledge... keeping legacy alive!



Reticon'11
The Retinal Congress with Live Surgery Show



Kalpavriksha'11
The National Postgraduate CME Programme

18th 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. 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.
2nd Floor, Kences Towers,
No.1, Ramakrishna Street,
North Usman Road,
T.Nagar, Chennai 600 017.
Tel: 2814 0801-03
Email: corpserve@integratedindia.in

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 18th Annual General Meeting of the shareholders of the company will be held on 21st August, 2012 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 31stMarch 2012, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. To re-appoint a director in the place of Dr. Jasvinder Singh Saroya, who retires by rotation.

3. To re-appoint a director in the place of Mr. Prabhat Toshniwal, who retires by rotation.

4. To appoint Auditors and to fix their remuneration. The retiring auditors, M/s M.K.Dandekar & Co., Chartered Accountants, Chennai, are eligible for reappointment.

By Order of the Board
Sd/-
Dr.AmarAgarwal
Chairman Cum Managing Director

Place : Chennai
Date : 25.05.2012

NOTES:-

1. 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.

2. 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.

3. The Register of members and the share transfer books of the company will remain closed from 14th August 2012 to 21st August 2012. (both days inclusive)

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. 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.

6. 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. Jasvinder Sing Saroya	Ophthalmology	M.B.B.S., D.O., D.N.B., M.N.A.M.S F.C.L.I.	NIL	NIL
Mr.Prabhat Toshniwal	Business	B.Sc.,	NIL	NIL

By Order of the Board
Sd/-
Dr. Amar Agarwal
Chairman Cum Managing Director

Place : Chennai
Date : 25.05.2012

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the EIGHTEENTH ANNUAL REPORT and that of the Auditors together with the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss account for the year ended on that date.

PERFORMANCE

The financial results for the year ended 31st March, 2012 are as under:

Rs. (In Lakhs)

	31.03.2012	31.03.2011
Income	**10568.29**	10421.60
Profits before depreciation and interest	**1322.70**	1389.20
Depreciation	**570.48**	601.51
Interest	**459.94**	426.13
Profit before Tax	**292.28**	361.56
Provision for taxation	**132.43**	156.62
Profit After Tax	**159.86**	204.94

COURSE OF BUSINESS AND OUTLOOK

During the year under review, your company had achieved a turnover of Rs.105.68 crore as compared to the turnover of Rs. 104.21 crore in the last year. The profit before tax was Rs.292.28 lakhs as compared to Rs. 361.56 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

To strengthen the reserve base and cash flows the Directors do not recommend any Dividend for the year ended 31st March, 2012.

DIRECTORS

Dr. Jasvinder Singh Saroya and Mr Prabhat Toshnival 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.141894/- being unclaimed final dividend for the year 2003-04.

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. 148.43 Lakhs towards training and management consultancy charges.
Foreign Outgo	:	Rs. 177.65 Lakhs towards purchase of medical equipment and foreign travel.

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 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 SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is part of corporate mission from the time of inception by extending eye care to common man in his neighbourhood with affordability.

Yearly, around 4000 such awareness programs are conducted and more than 3 Lakh people are screened for corrective measures in schools, colleges, corporate, Govt. offices and public forums.

Eye related observance day like world glaucoma day, cataract awareness month, eye donation awareness fortnight, world retina day etc… are also utilized for creating awareness through multiple level promotional activities also involving mass media (TV / Radio / News Paper).

Being one of the prime eye care institute, responsibility is also felt in imparting knowledge and experience to the aspiring Ophthalmologists through different platforms like conferences, live surgery shows, wetlab, Continued Medical Education (CME), Scientific Gathering where hands on experience and presentation skills are enhanced. More than 50 such programs are conducted yearly.

With safety, research and adding advancement to eye care listing in our responsibility agenda, we firmly believe to move beyond the business and add colours to many life, because we believe … Vision is Life!

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2012 duly certified by the auditors of the company is annexed.

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/-
Dr.Amar Agarwal
Chairman Cum Managing Director

Place : Chennai
Date : 25.05.2012

Annexure 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.105.68 crore as compared to Rs. 104.22 crore in last year and made a profit of 159.86 lakhs as compared to Rs. 204.94 lakhs in the previous year.

III. Risks & Concerns

The main risk to which the company is exposed is 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 2011-12, 4 (Four) Board Meetings were held at # 19, Cathedral Road, Chennai-600 086 on the following dates:

17/05/2011, 30/07/2011, 08/11/2011, and 14/02/2012

III. COMPOSITION AND CATEGORY OF DIRECTORS:

Name	Desig-nation	Category	No. of Board Meetings attended during 2011-12	Whether attended last AGM	No. of director-ships in other public companies	No. of Committee member-ships (Chairman-ship) in public Companies
1. Dr. Amar Agarwal	Chairman-cum-Managing Director	Executive & Non-inde-pendent (Promoter)	4	YES	2	NIL
2. Dr. Athiya Agarwal	Whole Time Director	Executive & Non-inde-pendent (Promoter)	4	YES	3	NIL
3. Dr. Adil Agarwal	Director	Executive & Non-Independent (Promoter)	4	NO	1	NIL
4. Dr. Anosh Agarwal	Director	Executive & Non Independent (Promoter)	2	NO	1	NIL
5. Dr. Jasvinder Singh Saroya	Director	Non Executive Independent	NIL	NO	NIL	NIL
6. Mr. M. R. G. Apparao	Director	Non Executive Independent	2	YES	1	NIL
7. Mr. Prabhat Toshniwal	Director	Non Executive Independent	2	NO	NIL	NIL
8. Mr. Sanjay Anand	Director	Non Executive Independent	4	YES	NIL	NIL