

Dr. Agarwal's Eye Hospital Limited



**Fourteenth Annual Report
2007 – 2008**

14th Annual Report

Board of Directors	Dr. J. Agarwal, Chairman cum Wholetime Director Dr. (Mrs.) T. Agarwal, Managing 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 Dr. Ashvin Agarwal Dr Dipan Desai
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 14th Annual General Meeting of the shareholders of the company will be held on 12th August 2008 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 2008, 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 appoint a director in the place of Dr. Athiya Agarwal who retires by rotation.
4. To appoint a director in the place of Mr M R G Apparao who retires by rotation.
5. To appoint a director in the place of Dr. Adil Agarwal 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

7. To consider and if thought fit to pass with or without modification(s), the following Resolutions as an **ORDINARY RESOLUTION**:

“RESOLVED THAT Dr. Dipan Desai be and is hereby appointed as a Director of the company liable to retire by rotation.”

8. To consider and if thought fit to pass with or without modification(s), the following Resolutions as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to provisions of Section 94 and all other applicable provisions, if any, of the Companies Act,1956(including any statutory modification or re-enactment thereof for the time being in force),the Authorised Share Capital of the Company of Rs.5,00,00,000 (Rupees Five Crores) divided into 50,00,000(Fifty Lakhs) equity shares of Rs.10/-(Rupees Ten) each be and is hereby increased to Rs.20,00,00,000 (Rupees Twenty Crores) divided into 2,00,00,000 (Two Crores) equity shares of Rs.10/-(Rupees Ten) each by creating additional 1,50,00,000(One Crore and fifty lakhs) equity shares of Rs.10/-(Rupees Ten) each.”

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause No.V thereof by the following Clause V:

- V. The Authorised Share Capital of the Company is Rs.20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores only) equity shares of Rs.10/-(Rupees Ten only) each.

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorized to sign and file forms and other necessary documents with the Registrar of Companies, Chennai and to all such other acts, deeds, matters and things as may be considered fit to give effect to this resolution.

9. To consider and if thought fit to pass with or without modification(s), the following Resolutions as a **SPECIAL RESOLUTION**:

“RESOLVED THAT subject to the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and other applicable Acts, Rules and Regulations, if any, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approval, permissions and sanctions from such authorities as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the voluntary delisting of Securities of the Company from the Madras Stock Exchange Limited “

“RESOLVED FURTHER THAT the Board of Directors of the Company (to include any Committee of Directors that may be appointed by the Board of Directors) be and is hereby authorised to agree such terms and conditions which they may consider appropriate and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to execute all such applications, documents and writings as are considered necessary or proper for giving effect to this resolution.”

10. To consider and if thought fit to pass with or without modification(s), the following Resolutions as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 81(1-A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the regulations/guidelines, prescribed by the Securities and Exchange Board of India including Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, or any other relevant authority, from time to time, subject to such approvals, consents, permissions and sanctions, the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any Committee including the Compensation Committee and the Compensation Sub-Committee) be and is hereby authorized on behalf of the Company to grant from time to time options under the Stock Option Scheme viz. Employee Stock Option Plan {ESOP 2008 scheme} to apply for Equity Shares and / or warrants with an option for conversion into Equity Shares/Equity linked Securities convertible into Equity Shares of the Company to or for the benefit of such person/persons who are in the permanent employment of the Company and consequently create, issue, offer and allot at any time and from time to time, Equity Shares in terms of such options, the options and the consequential issue, offer and allotment of Shares shall be at such price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may decide.

Provided the total number of options to be granted under ESOP shall not initially exceed 2,25,000 Equity Shares of Rs 10/-.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues,bonus issues,share splits,merger and sale of division and others,if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier,the above ceiling of 2,25,000 Equity Shares shall be deemed to be increased to the extent of such additional Equity Shares issued.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the scheme shall automatically stand augmented or reduced,as the case may be,in the same proportion as the present face value of Rs.10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation,without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT all acts and deeds done by the Board till date to further the objective of this resolution be and are hereby ratified and approved.

RESOLVED FURTHER THAT subject to the terms stated herein, the Equity Shares ESOP shall in all respects rank pari passu inter-se as also with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer or grant of options, issue or allotment of Equity Shares pursuant to the options granted, or securities or instruments representing the same, as described above, under any Employee Stock Option Scheme, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard to such issue(s) or allotment(s) (including power to amend, vary, or modify any of the terms and conditions of the scheme, the grant of options, issue or allotment of Equity Shares pursuant to the options granted), without being required to seek any further consent or approval of the members, in its sole discretion as it may deem fit.”

By Order of the Board
Sd/-

Dr. Amar Agarwal
Joint Managing Director

Place: Chennai
Date : 19.05.2008

NOTES:-

1. An 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 9th August 2008 to 12th August 2008. (both days inclusive)
5. Dividends will be paid to those shareholders whose names appear on the company's Register of Members on 12th August 2008.
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 forms 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 of Committee
Dr. Athiya Agarwal	Ophthalmology	M.D. (Path.), F.R.S.H. (Lon.),D.O.	Dr.Agarwal's Pharma Ltd	NIL
Mr M R G Apparao	Consultant	B. Sc., DMIT, PGDM (IIM Calcutta)	NIL	Chairman - Audit Committee Member - Remuneration and Shareholders/ Investors' Grievance Committee
Dr.Adil Agarwal	Ophthalmology	M B B S	NIL	NIL
Dr Dipan Desai	Ophthalmology	M.S, P.S.V.H. (Germany)	NIL	NIL

By Order of the Board
Sd/-

Place:Chennai
Date : 19.05.2008

Dr. Amar Agarwal
Joint Managing Director

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

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

Item No.7

The board inducted Dr.Dipan Desai in the board on 28/03/2008 as an additional director. Notice has been received from a member along with necessary deposits as required by section 257 of the Companies Act, 1956, proposing as a candidate for the office of Director/s. Accordingly, the Resolution under Item No.7 of the Notice is submitted for the approval of the Shareholders.

None of the Directors of the Company, except Dr. Dipan Desai, is concerned or interested in the resolution.

Item No.8

In order to cater the future requirements, it was proposed to increase the Authorised Share Capital of the Company from Rs.5 Crores to Rs.20 Crores and for that purpose, the Memorandum of Association and the Articles of Association of the Company are proposed to be suitably altered.

The provisions of the Companies Act,1956 require the Company to seek the approval of the Members for increase in the authorized share capital and for the alteration of capital clause of the Memorandum of Association and Articles of Association of the Company.

Accordingly, the Resolution under Item No.8 of the Notice is submitted for the approval of the Shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

Item No.9

It was proposed for voluntary delisting of Equity Shares of the Company from the Madras Stock Exchange as there is very negligible volume of trading in the Exchange.

Accordingly, the Resolution under Item No.9 of the Notice is submitted for the approval of the Shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

Item No.10

Dr.Agarwal's Eye Hospital Limited strongly believes that it is the EYE CARE industry with the necessary skill , sets and intellectual power, which steer the Company. Logically therefore, a mutually strong relationship between the employees and the Company is a necessity. The Stock Option Plan is one of the methodologies of strengthening the binding between the employees and the Company. Identifying, selecting and retaining the right talent in the Industry to which your Company belongs to, is one of the toughest jobs on hand for any Management. Your Company has recognized this as a serious criterion and consequently has conceptualized an Employee Stock Option Scheme with warrants, which can be converted into Equity Shares after a specified period.

The Board of Directors of the Company proposed the ESOP 2008 Scheme in the place of the earlier scheme approved by the Members during the last Annual General Meeting of the Company, as no option was offered under that Scheme.

Approval of the Members is being sought in terms of Section 81(1A) and all other applicable provisions of the Companies Act, 1956, for the grant of options and the consequential issue of Equity Shares under the ESOP 2008 Scheme.

The proposed Plan will be an ongoing process and the Company is required to commit and issue ESOPs to different personnel including new recruits.

It is also proposed that all the Stock Options be issued at the price arrived at in line with the prevailing Guidelines on the date of grant.

The Directors of the Company may be deemed to be interested or concerned in the resolution to the extent of their shareholding in the Company and to the extent they may be covered by the ESOP.

a) Gist of the Plan:

Total number of options to be granted:

The number of options to be granted pursuant to ESOP shall not exceed 5.00% of the total shares issued by the Company on the date(s) of grant of options.

b) Identification of classes of employees entitled to participate in the ESOP:

Options are offered to permanent employees of the Company, Directors including Whole-time Directors but excluding Promoter Directors or Directors holding in excess of 10% of the Equity Shares of the Company and eligible employees (including Directors whether Whole-time Directors or not) of the subsidiary and /or holding company of the Company.

c) Requirements of vesting and period of vesting:

The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. The Compensation Committee shall formulate the other criteria of vesting, which may inter alia include performance related issues. The vesting period shall commence on the expiry of one (1) year from the date of grant of the option and will extend as may be thought fit by the Compensation Committee.

d) Maximum period within which the options shall be vested:

The Maximum period within which the options shall be vested is upon the completion of ten years from the date of grant of option.

e) Exercise price or pricing formula:

Options under the ESOP would be issued at a price not less than 75% of the market price of Equity Shares on the date of grant or average of the daily high and low of the closing prices of the related shares, quoted on the stock exchanges, during the month preceding the month on which the options are granted whichever is lower.

f) Exercise Period and Procedure for Exercise:

The exercise period shall commence from the date of vesting and expire not later twelve months from the date of such vesting and can be further extended to a period of twelve months from the vesting date upon a specific request from the associate concerned, however such an extension may be granted by the Compensation Committee only under special circumstances. The mode or process of exercise of the option will be framed by the Compensation Committee.

g) The appraisal process for determining the eligibility of employees to the ESOP:

The eligibility criteria for the employees under ESOP will be determined by the Compensation Committee based qualification, past and present performance, experience, technical knowledge, professionalism, designation, responsibility, other qualities or such other basis as the Committee may deem fit.

h) Maximum number of options to be issued per employee and in aggregate:

The maximum number of options granted to any one employee in a year will not exceed 1% of the issued Equity Share Capital of the Company at the time of granting of option.

i) Power to amend, vary or modify the Scheme:

The Board shall have powers to amend, vary, or modify any of the terms and conditions of the ESOP pertaining to the grant of options, pricing of options, issue or allotment of Equity Shares or warrants pursuant to the options, without being required to seek any further consent or approval of the Members. The powers granted by the Members pursuant to this resolution will include powers to withdraw, recall, accept surrender or cancel options issued/ to be issued pursuant to this resolution or any other earlier approval accorded by the Members in this behalf, and to issue fresh options in lieu thereof at such price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may decide.

j) Accounting policies:

The Company shall comply with the disclosure and accounting policies prescribed by SEBI and any other appropriate authority in this regard.

The resolution set out in the Notice is recommended for the approval of the shareholders. The Directors of your Company may be deemed to be concerned or interested in this resolution.

Place:Chennai
Date : 19.05.2008

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

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the FOURTEENTH ANNUAL REPORT and that of the Auditors together with the audited Balance Sheet as at 31st March 2008 and the Profit and Loss account for the year ended on that date.

PERFORMANCE

The financial results for the year ended 31st March 2008 are as under:

	Rs. (In Lacs)	
	31.03.2007	31.03.2008
Income	2209.28	4139.79
Profits before depreciation and interest	421.01	525.63
Depreciation	165.16	330.36
Interest	16.90	139.20
Profit before Tax	238.95	56.07
Provision for taxation	115.71	40.63
Provision for Deferred Tax	Nil	Nil
Profit After Tax	123.24	15.44
Add surplus from previous year	129.55	126.79
Provision for Dividend	67.50	67.50
Tax on proposed Dividend	11.47	11.47
Transfer to general Reserve	10.00	5.00
Surplus carried to Balance Sheet	126.78	58.26

COURSE OF BUSINESS AND OUTLOOK

During the year progress has continued in the company's performance. Your company had achieved a turnover of Rs.41.40 crores as compared to the turnover of Rs.22.09 crores. The profit before tax was Rs 56.07 lacs as compared to Rs.238.95 lacs in the previous year. The reduction in profit was mainly due to higher depreciation and set up cost incurred for 14 new hospitals started during the year in various parts of Chennai city and Tamilnadu and Andhra Pradesh. The board of directors have planned for further expansion for the current year which will increase the turnover of the company substantially and in turn will improve profitability of the company as well.

However, there are great challenges ahead not only for your company but for the industry as a whole. With the continued confidence of all our associates, we will aggressively meet those challenges with renewed faith in our company and the future that we all share.

FIXED DEPOSIT:

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

DIVIDEND

The Directors recommend a dividend of 15% exclusive of dividend tax for the financial year ended 31st March 2008 .

DIRECTORS

Dr.Athiya Agarwal, Mr M R G Apparao and Dr.Adil Agarwal retire by rotation and being eligible, offer for re-appointment.

Ms Sudha resigned as Director with effect from 27/03/2008.The Board inducted Dr Dipan Desai in the board on 27/03/2008 as an additional director. A notice has been received from a member along with a deposit/s of Rupees five hundred as required by section 257 of the Companies Act, 1956, proposing him a candidate for the office of Director.

INVESTOR EDUCATION AND PROTECTION FUND :

Pursuant to section 205C of the Companies Act , 1956,your company has transferred a sum of Rs. 92,040/- being unclaimed dividend for the year 1999-2000.

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 Information as per Section 217 (2A) of the Companies Act 1956 required to be given in the Directors report is annexed herewith.

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: NIL

Foreign Outgo : Rs.277.33 Lacs

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.

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 31/03/2008 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.

Place:Chennai
Date: 19.05.2008

For and on behalf of the Board
Sd/-
Dr. J. Agarwal
Chairman

Annexure to the Directors' Report

Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act,1956.

Sl. No.	Name	Age	Designation	Gross Remuneration (Rs.)	Qualification	Experience in Years	Date of Joining	Details of Previous Employment
1.	Dr. J. Agarwal	78	Chairman-cum-Whole Time Director	2,400,000	FICS,DOMS, F.O.R.C.E	Over 50 years	Since inception	-
2.	Dr.(Mrs.)T. Agarwal	76	Managing Director	2,400,000	FICS,DO, F.O.R.C.E	Over 46 years	Since inception	-
3.	Dr. Amar Agarwal	48	Joint Managing Director	2,400,000	MS,FRCS, FRC.Ophth (London)	Over 20 years	Since inception	-
4.	Dr.(Mrs.) Athiya Agarwal	53	Whole Time Director	2,400,000	MD(Path), FRSH (London)	Over 20 years	Since inception	-

Note:

Dr J. Agarwal, Dr(Mrs.) T. Agarwal, Dr. Amar Agarwal and Dr(Mrs.) Athiya Agarwal are relatives

Addendum to the Auditors' report**OBSERVATION ON AUDITORS REPORT, IF ANY**

1. The board hereby clarifies that the premises has been reconstructed with all the modern facilities and the company has occupied about 30000 sq ft .The revision of rent has taken place after the company has obtained a valuation report from a Chartered Engineer. Further the location of the premises is very prominent and is a landmark for the eye care operations as the same is in existence for last few decades. There were recent publication in the news paper also justifies the rent which can be paid for such location .Further the rent has been duly approved by the board considering all the facts like market value of the property, rental value of the property, infrastructures, rental paid by others etc. The second increase in rent was due to additional space occupied by the company with all amenities, adjacent to the Main Hospital, taken by the Company to meet the additional demand of patients flow. Considering the location equipped with best of infrastructure and amenities / state of art facilities for eye care operations , in the opinion of the board the same is reasonable.
2. The auditors have recommended some internal control processes which need to be strengthened. In this regard the company has already initiated the process of implementing the same. Concurrent audit is already in place and the audit committee is in the process of further strengthening the internal control processes.

For and on behalf of the Board

Place:Chennai
Date: 19.05.2008

Sd/-
Dr. J. Agarwal
Chairman

Annexure-A to the Directors' Report**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 concern. 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

The Company has started 14 new hospitals during the year in various parts of Chennai city, Tamilnadu and Chittoor, Andhra Pradesh.

The company had achieved a turnover of Rs. 41.40 crores as compared to Rs.22.09 crores in last year and made a profit of Rs.15.44 lacs as compared to Rs.123 lacs 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. During the course of year the company has broad based 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 is planning further to strengthen its 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.

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' 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 12 comprising of 4 executive director and 8 non-executive directors, of which 6 are independent. There were no changes in the composition of the board during 2007-08.

II. Board Meetings & Attendance of Directors

During the year 2007-08, 7 (Seven) Board Meetings were held at # 19, Cathedral Road, Chennai-600 086 on the following dates:

29/06/2007 , 28/07/2007 , 27/10/2007 , 28/11/2007 , 28/01/2008 , 31/01/2008 and 27/03/2008.

III. COMPOSITION AND CATEGORY OF DIRECTORS:

Name	Designation	Category	No. of Board Meetings attended during 2007-08	Whether attended last AGM	No. of directorships in other public companies	No. of committee memberships (chairmanship) in public companies
1. Dr. J. Agarwal	Chairman-cum-Whole Time Director	Executive & Non-independent (Promoter)	7	YES	1	NIL
2. Dr. T. Agarwal	Managing Director	Executive & Non-independent (Promoter)	7	YES	1	NIL
3. Dr. Amar Agarwal	Joint Managing Director	Executive & Non-independent (Promoter)	7	YES	1	NIL
4. Dr. Athiya Agarwal	Whole Time Director	Executive & Non-independent (Promoter)	7	YES	1	NIL
5. Dr. Steve Charles (upto 28.07.2007)	Director	Non Executive Independent	NIL	NO	NIL	NIL
6. Ms.Sudha (upto 27.03.2008)	Whole Time Director	Executive & Non Independent	5	YES	1	NIL
7. Dr. Jasvinder Singh Saroya	Director	Non Executive Independent	NIL	NO	NIL	NIL
8. Dr. Sasikanth R. R.	Director	Non Executive Independent	5	NO	1	NIL
9. Dr. (Ms.) Akhther Begum	Director	Non Executive Independent	5	NO	NIL	NIL
10. Mr. M. R. G. Apparao	Director	Non Executive Independent	5	YES	NIL	NIL

11. Dr. Adil Agarwal	Director	Non Executive & Non-Independent	3	YES	NIL	NIL
12. Mr. Prabhat Toshniwal	Director	Non Executive Independent	NIL	NO	NIL	NIL
13. Dr Ashvin Agarwal	Director	Non Executive & Non Independent	NIL	NO	NIL	NIL
14. Dr Dipan Desai (with effect from 27.03.2008)	Director	Non Executive Independent	NIL	NO	NIL	NIL

IV. DIRECTOS SEEKING REAPPOINTMENT

The required information regarding the details of directors who are seeking appointment or reappointment is set out in the notes to the notice.

V. DISCLOSURE OF DIRECTOR'S INTERESTS IN TRANSACTION WITH THE COMPANY

None of the non-executive directors had any pecuniary relationship or transaction with the company pursuant to the provisions of Clause 49 VII (D) of the Listing Agreement other than sitting fees.

No director has been paid any remuneration as the Director of the Company except the executive directors who were being paid remuneration for acting as Managing / Whole Time Director of the Company.

VI. Code of Conduct

The board of directors had implemented a Code of Conduct to be applicable to all directors and employees.

3. AUDIT COMMITTEE

I. Terms of Reference

The audit committee of the company has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with stock exchanges.

II. Composition

The audit committee comprises 4 non-executive directors Mr. M R G Appa Rao, Dr Sasikanth, Dr.Akther Begum and Mr.Prabhat Toshniwal who have considerable financial

expertise and experience. The Head of Finance and the Statutory Auditors are permanent invitees to the committee.

III. Attendance

The committee met four times during the year.

IV. REMUNERATION COMMITTEE

Constitution

The Committee consists of 3 directors - all non executive and independent.

1. Dr. Sasikanth R. R. - Chairman
2. Mr. M. R. G. Apparao - Director
3. Dr. (Ms.) Akhther Begum - Director

Terms of Reference :

The Remuneration Committee has been constituted to recommend and review the remuneration packages of the Managing, Whole Time Directors, and to formulate a broad policy for management remuneration.

Meetings & Attendance:

During the year 2007-08, one meeting of the Remuneration Committee was held which was attended by all the members of the committee.

Remuneration Policy :

The Remuneration Policy as outlined by the Committee aims at

- Recognising and rewarding performance and achievements,
- While fixing the remuneration of Directors, their contribution by way of their professional services as directors, towards the growth of the Company.

This policy is in tune with current national and international practices.

V. SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

A Shareholder's / Investor's Grievance Committee has been constituted by the Board to monitor the redressal of the shareholders / investors grievances. The Committee reviews the status of complaints received from shareholders/investors and redressal thereof. A status report of shareholders complaints and redressal thereof is prepared and placed before the Shareholders / Investors Grievance Committee. As on 31-03-2008 no shares / debentures are pending for transfer for more than 15 days.

All complaints have been resolved to the satisfaction of shareholders with a reasonable time.

Constitution

The Committee consists of 3 non-executive independent directors:

1. Dr. Ms. Akhther Begum - Chairman
2. Mr. M. R. G. Apparao - Director
3. Dr. Sasikanth R. R. - Director

The Committee is chaired by Dr. Ms. Akhther Begum.

A. A. Shiraz, Company Secretary is the Compliance Officer.

Pending share Transfers:

There are no pending share transfers. As required by the regulations of SEBI, the issued and listed capital of the Company is reconciled with the aggregate of the number of shares held by Investors in physical mode and in the demat mode. A certificate is being obtained on a quarterly basis to this effect from a Practicing Company Secretary and submitted to the Stock Exchanges where the Company's Shares are listed. As on 31st March 2007, there were no differences between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories.

VI. GENERAL BODY MEETINGS

I. Meeting Details

Year	Location	Date	Time	Number of Special Resolution passed
2004-05	Registered Office	21-09-2005	10.30 A.M	Five*
2005-06	Registered Office	29-08-2006	10.30 A.M	NIL
2006-07	Registered Office	18-09-2007	10.30 A.M	Seven*

* All the Resolutions were passed on a voting by show of hands.

II. Postal Ballot

During the financial year under review, no postal ballots were used for voting at meetings. At the ensuing AGM there is no item on the agenda that is required to be passed by postal ballot.

VII. DISCLOSURES

I. Related Party Transactions

There has been no materially significant related party transactions with the company's subsidiaries, promoters, directors, management or their relatives which may have a potential conflict with the interests of the company. Members may refer to the notes to the accounts for details of other related party transactions.

II. Compliance with Regulations

The company has complied fully with the requirements of the regulatory authorities on capital markets. There have been no instances of non-compliance by the company on any matters related

to the capital markets, nor as any penalty or stricture been imposed on the Company by Stock Exchange, SEBI or any other Statutory authority.

III. Accounting Standards

The company has rigorously followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

IV. Risk Management

The audit committee regularly reviews the risk management strategy of the company to ensure the effectiveness of risk management policies and procedures.

V. Remuneration to the Directors :

Name	Designation	Total Remuneration paid during 2007-08 (Rs.in' 00)	Performance Incentive	Stock Options
1. Dr. J. Agarwal	Chairman-cum-Whole Time Director	24000	NIL	NIL
2. Dr. T. Agarwal	Managing Director	24000	NIL	NIL
3. Dr. Amar Agarwal	Joint Managing Director	24000	NIL	NIL
4. Dr. Athiya Agarwal	Whole Time Director	24000	NIL	NIL
5. Dr. Steve Charles	Director	NIL	NIL	NIL
6. Ms.Sudha	Whole Time Director	12000	NIL	NIL
7. Dr. Jasvinder Singh Saroya	Director	NIL	NIL	NIL
8. Dr. Sasikanth R. R.	Director	2645	NIL	NIL
9. Dr. (Ms.) Akhther Begum	Director	225	NIL	NIL
10. Mr. M. R. G. Apparao	Director	225	NIL	NIL
11. Dr. Adil Agarwal	Director	NIL	NIL	NIL
12. Mr. Prabhat Toshniwal	Director	NIL	NIL	NIL

8. COMMUNICATION APPROACH

The company's financial results are published in the Financial Express and Makkal Kural.

9. GENERAL SHAREHOLDER INFORMATION

I. 14th Annual General Meeting.

The 14th annual general meeting will be held on 12th August,2008 at 19, Cathedral Road, Chennai – 600 086.

II. Tentative Financial Reporting Calendar

Financial Reporting 2008	From	To	Date
1 st Quarter	April	June	31 st July
2 nd Quarter	July	September	31 st October
3 rd Quarter	October	December	31 st January
4 th Quarter	January	March	30 th April Unaudited / Audited on or before 30-06-2009
Annual General Meeting	April 2008	March 2009	On or before September 2009

III. Book Closure

The date of closure is from 09-08-2008 to 12-08-2008.

IV. Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid upto on	ISIN No.
Bombay Stock Exchange	526783	31-03-2009	INE934C01018
Madras Stock Exchange Ltd.	118995	31-03-2009	

Market price data

High and low prices of Equity shares in the financial year 2007-08 were as follows :

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April 2007	47.95	40.00
May 2007	43.50	38.10
June 2007	56.70	40.10
July 2007	58.00	45.25
August 2007	67.70	48.10
September 2007	66.70	54.00
October 2007	75.95	58.00
November 2007	80.00	56.10
December 2007	75.85	53.20
January 2008	93.70	50.00
February 2008	65.00	50.05
March 2008	61.90	33.25

Share Transfer System

The Share Transfer work is being handled by Company's Registrar and Transfer Agents,

M/s. INTEGRATED ENTERPRISES (INDIA) LTD.
 2nd Floor, KENCES TOWERS
 No.1, Ramakrishna Street
 Off. North Usman Road, T.Nagar
 Chennai- 600 017

The Company has established connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai. The transfers are approved by the Share Transfer Committee. Share Transfers are registered and despatched within a period of 30 days from the date of receipt if the documents are correct and valid in all respects. As on 31-03-2008 there were no valid requests pending for transfer of shares.

Distribution of shareholding

As on 31st March, 2008

Category	Number of Shares held	% of holding
1. Promoters		
- Indian	2612374	58.05
- Foreign	- NIL -	- NIL -
2. Persons acting in concert	- NIL -	- NIL -
3. Institutional Investors		
a. Mutual Funds & UTI	- NIL -	- NIL -
b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Inst./ Non-Govt. Inst)	- NIL -	- NIL -
c. FIIs	- NIL -	- NIL -
4. Others		
- Bodies Corporate	493165	10.96
- Indian Public	1272319	28.27
- NRIs / OCBs	119114	2.65
- Other than specified above Clearing Members	3028	0.07
Total	4500000	100
Paid-up Shares	4500000	100

DISTRIBUTION SCHEDULE AS ON 31/03/2008

Sl. No.	Category of Shares	Holders		Shares	
		Nos.	%	Nos.	%
1	1 - 500	2403	84.405	375445	8.343
2	501 - 1000	207	7.271	171686	3.815
3	1001 - 2000	100	3.512	157880	3.508
4	2001 - 3000	50	1.756	123548	2.746
5	3001 - 4000	17	0.597	62011	1.378
6	4001 - 5000	15	0.527	70158	1.559
7	5001 - 100000	44	0.667	638081	2.934
8	100001 and above	11	1.264	2901191	75.716
	TOTAL	2847	100.00	4500000	100.00

Dematerialisation of shares

The equity shares of the company are required to be compulsorily traded and settled only in the dematerialised form.

Regd. Office Location

The company has its Regd. Office at # 19 (Old No.13), Cathedral Road, Chennai – 600 086.

X. Dematerialisation of Shares and Liquidity

Shares of the company can be held and traded in electronic form.

Approximately, 3384806 being 75.22% shares have already been dematerialized.

For and on behalf of the Board

Place:Chennai
Date : 19.05.2008

Sd/-
Dr. J. Agarwal
Chairman

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF
CORPORATE GOVERNANCE UNDER CLAUSE 49 OF
THE LISTING AGREEMENT**

The Members of
Dr. Agarwal's Eye Hospital Limited,
Chennai.

1. We have examined the compliance of the conditions of Corporate Governance by Dr. Agarwal's Eye Hospital Ltd, for the year ended 31st March 2008 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.
4. We state that in respect of investor grievances received during the year ended 31st March 2008, one investor grievance was pending against the company as on 31st March 2008, as per records maintained by the company and presented to the shareholders / Investors Grievances Committee.
5. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there was one investor grievance which has been attended to by the Company.
6. We further state that such Compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

for M. K. DANDEKER & CO.,
Sd/-

K. J. Dandeker
Partner

CHARTERED ACCOUNTANTS
Membership No 18533

Place:Chennai
Date : 19.05.2008

**CHIEF EXECUTIVE OFFICER (CEO) AND
CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To
The Board of Directors,
Dr. Agarwal's Eye Hospitals Ltd

We the undersigned in our respective capacity as CEO and CFO of the company to the best of our knowledge and belief certify that :

- a) We have examined the financial statement and the cash flow statement for the year ended 31/03/2008 and based on our knowledge and belief we state that :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee.
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Dr.J. Agarwal

Dr.Amar Agarwal

Place: Chennai
Date:19.05.2008

**AUDITORS' REPORT TO THE MEMBERS OF
DR.AGARWAL'S EYE HOSPITAL LIMITED, CHENNAI**

We have audited the attached Balance Sheet of Dr.Agarwal's Eye Hospital Limited, Chennai as at 31st March 2008 and also the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, **except for Segment Results reporting.** (Refer Note No. 6)
- v. On the basis of written representations received from the directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India, subject to

the Company has paid Rent to a Partnership Firm in which certain Directors are interested as partners. (Refer Note No.9)

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008; and
- b) in the case of the Profit and Loss Account, of the profit for the period ended on that date.
- c) in case of the Cash Flow Statement, of the cash flows for the period ended on that date.

M. K. DANDEKER & CO.,

Sd/-

K. J. Dandeker

Partner

CHARTERED ACCOUNTANTS

Membership No 18533

Place:Chennai

Date : 19.05.2008

DR. AGARWAL'S EYE HOSPITAL LIMITED, CHENNAI
ANNEXURE TO THE AUDITORS' REPORT
(Referred to in our Report of even date)

1. a.. The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.
 - b. The Fixed Assets are physically verified by the Management at regular Intervals. The Management has to decide on a verification process to improve internal control.
 - c. No substantial part of Fixed Assets has been disposed off during the year.
2. a.. The physical verification of inventory has been conducted at reasonable intervals by the management.
 - b. The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The Company is maintaining proper records of inventory and any discrepancies noticed on physical verification are being properly dealt in the books of accounts.
3. The Company has given interest free Rental deposits of Rs.75,00,000 and Rs.2 Crores to Two firms in which certain directors are partners.
4. In our opinion and according to the information and explanations given to us, the internal control procedures with regard to inventory and fixed assets and for sale of goods are commensurate with the Company and the nature of the business. During the course of audit, **we have observed some weakness in the internal controls, which were informed to the Management and the Audit Committee for corrective action.**
5. a) According to the information and explanations given to us , we are of the opinion the transactions that need to be entered into a register in pursuance of section 301 of the Act have been entered.
 - b) The Company has purchased goods for value exceeding Rs.5,00,000/- from a firm in which certain Directors are interested. In the absence of alternative sources of supply, the prices charged are not comparable.
 - c) **Rent paid for Hospital premises to a firm in which certain directors are interested as partners, has been revised upwards twice during the year. In our opinion under the circumstances such Rent, revised twice is on the higher side.**
6. The Company has not accepted deposits from the public and the provisions of Section 58A and 58AA of the Act, rules framed there under and other relevant directives issued by the Reserve Bank of India are not applicable to the Company.
7. The Company's Internal Audit System is being strengthened to be commensurate with the size of the company and nature of its business.
8. The Company is not required to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act.

9. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess, were in arrears as on 31.03.2008 for a period of more than six months from the date they became payable.
- c) There are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has not incurred cash loss during the current financial Year and the previous financial year and there are no accumulated losses as on the balance sheet date.
11. The company has not defaulted in repayment of dues to a financial institution or bank.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from bank or financial institutions.
14. The term loans were applied for the purpose for which the loans were obtained.
15. The funds raised by the Company on short-term basis have not been used for long-term investment and vice versa.
16. The Company has not made Preferential Allotment of shares to parties and companies covered in the register maintained U/s.301 of the Act during the year.
17. Based on our examination and the information provided to us by the company, no fraud on or by the Company has been noticed or reported during the year.
18. The following clauses were not applicable to the company for the year.
 - a) Paragraph 4 (xii) of the order relating to maintenance of documents and records in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
 - b) Paragraph 4(xiii) of the order relating to special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies;
 - c) Paragraph 4(xiv) of the order relating to companies dealing or trading in shares, securities, debentures or other investments;
 - d) Paragraph 4(xx) of the order relating to public issue during the year.

M. K. DANDEKER & CO.,
Sd/-

K. J. Dandeker
Partner

Place: Chennai
Date : 19.05.2008

CHARTERED ACCOUNTANTS
Membership No 18533

BALANCE SHEET AS AT 31.03.2008

31.03.2007 (Rs in 000's)	DESCRIPTION	SCH	31.03.2008 (Rs in 000's)
	I SOURCES OF FUNDS		
	(i) Shareholders Funds		
45000	(a) Share Capital	A	45000
58178	(b) Reserves & Surplus	B	51826
49462	(ii) Secured loans	C	218953
3191	(iii) Deferred Tax Liability(Net)		3191
155832	TOTAL		318970
	II APPLICATION OF FUNDS		
	(i) Fixed Assets		
164271	Gross Block		330233
95328	Less: Accumulated Depreciation		128364
68943	Net Block	D	201868
33019	(ii) Investments	E	319
	(iii) Current Assets, Loans and Advances		
4337	(a) Inventories		23591
12201	(b) Sundry Debtors	F	22609
40511	(c) Cash and Bank Balance	G	12004
43820	(d) Loans & Advances	H	126316
100869		'x'	184520
	Less: Current Liabilities & Provisions		
38071	(a) Current Liabilities	I	62300
10659	(b) Provisions	J	6287
48730		'y'	68587
52139	Net Current Assets	'x'-'y'	115932
1731	(iv) Miscellaneous Expenditure (To the extent not written off or adjusted)	K	851
155832	TOTAL		318970

Notes on accounts and accounting policies form part of the Balance Sheet

Sd/-
A.A.Shiraz
Company Secretary

Sd/-
Dr.J.Agarwal
Chairman

Sd/-
Dr. (Mrs.) T.Agarwal
Managing Director

As per our Report Annexed
For M.K.Dandeker & Co.,
Sd/-

K.J.Dandeker
Partner

Chartered Accountants
Membership No 18533

Chennai
19th May 2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

31.03.2007 (Rs in '000s)	INCOME	Sch	31.03.2008 (Rs in '000s)
215022	Hospital Income	I	401800
5906	Other Income	II	12179
220928			413979
	EXPENDITURE		
101864	Hospital Operative Expenses	III	235429
74596	Administrative Expenses	IV	122467
3177	Financial Expenses	V	16559
15807	Depreciation		33036
709	Impairment Loss		0
196152			407491
24776	Excess of Income over Expenditure		6488
880	Misc. Expenditure Written Off or Amortised		880
23896	NET PROFIT BEFORE TAX		5607
	Less: Tax expenses		
10547	Current Tax		2600
944	Fringe Benefit Tax		1448
80	Wealth Tax		15
12324	NET PROFIT FOR THE YEAR		1544
	ADD :		
12955	Opening Balance B/F		12679
25280			14223
	LESS : APPROPRIATIONS		
3704	Short Provision for earlier years		0
6750	Proposed Dividend 2007-08		6750
1147	Corporate Dividend Tax 2007-08		1147
1000	Amount transferred to General Reserve		500
12678	SURPLUS CARRIED TO BALANCE SHEET		5826
	Basic and Diluted Earnings per share of Rs. 10/- each		
3.79	- Basic EPS		0.34
2.74	- Diluted EPS		0.34

Notes on accounts and accounting policies form part of the Profit & Loss Account

Sd/-
A.A.Shiraz
Company Secretary

Sd/-
Dr.J.Agarwal
Chairman

Sd/-
Dr. (Mrs.) T.Agarwal
Managing Director

As per our Report Annexed
For M.K.Dandeker & Co.,
Sd/-
K.J.Dandeker
Partner
Chartered Accountants
Membership No 18533

Chennai
19th May 2008

CASH FLOW STATEMENT FOR 2007-2008

A CASH FLOW FROM OPERATING ACTIVITIES	YE 31.03.08	YE 31.03.07
Description	Rs in 000s	Rs in 000s
Net Profit before tax and extraordinary items	5607	23896
Adjustments for :		
Depreciation	33036	16516
Misc expenses written off or amortised	880	880
Provision for investment written back	0	-191
Interest expenses	12051	1692
Forex Gain	-320	
Interest / Dividend	-2876	-1578
	42771	17319
Operating Profit before Working Capital Charges	48379	41214
Adjustments of Working Capital Charges		
Increase in Trade Payables	803	17238
Increase in provisions	158	-3564
Increase in Trade Receivables	-10407	-5177
Increase in Other Receivables	-82495	-28338
Increase in Inventories	-19255	-1972
	-111196	-21813
Net Changes in Working Capital Cash generated	-62818	19401
Direct Taxes	8592	9921
Cash flow before extraordinary items	-71410	9480
<i>Net Cash from Operating Activities</i>	-71410	9480
B CASH FLOW FROM INVESTING ACTIVITIES		
Description	Rs in 000s	Rs in 000s
Purchase of Fixed Assets	-142215	-31348
Dividend Received	996	248
Interest Received	1880	1330
Sale proceeds of investments	32700	-32700
<i>Net Cash used in Investing Activities</i>	-106639	-62470

C CASH FLOW FROM FINANCING ACTIVITIES

Description	Rs in 000s	Rs in 000s
Dividends & Dividend Tax	-7897	-4447
Proceeds from Secured Loans	191567	31642
Interest paid	-12051	-1692
Repayment of Secured Loans	-22076	0
Proceeds from Issue of Equity Shares	0	12500
Proceeds from Issue of Equity Shares	0	41100
Net Cash inflow from Financing Activities	149543	79103
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-28506	26113
CASH AND CASH EQUIVALENT AS AT 31-03-2007	40511	14398
CASH AND CASH EQUIVALENT AS AT 31-03-2008	12004	40511
DECREASE IN CASH AND CASH EQUIVALENTS	-28506	26113

Sd/-
A.A.Shiraz
Company Secretary

Sd/-
Dr.J.Agarwal
Chairman

Sd/-
Dr. (Mrs.) T.Agarwal
Managing Director

As per our Report Annexed
For M.K.Dandeker & Co.,

Sd/-
K.J.Dandeker
Partner

Chartered Accountants
Membership No 18533

Chennai
19th May 2008

SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2008

31.03.2007 (Rs in '000s)		31.03.2008 (Rs in '000s)
SCHEDULE "A" SHARE CAPITAL		
AUTHORISED		
	50,00,000 Equity Shares of Rs. 10/- each	50000
50000	TOTAL	50000
	Issued, Subscribed and paid up	
45000	45,00,000 Equity Shares of Rs.10/- each	45000
45000		45000
SCHEDULE "B" RESERVES & SURPLUS		
3400	General Reserve (As per last Balance Sheet)	4400
1000	Add: Set Aside this year	500
4400	TOTAL	4900
41100	Share Premium	41100
Profit & Loss Account		
12678	Balance as per Profit & Loss account	5826
58178		51826
SCHEDULE "C" SECURED LOANS		
(i) From Banks		
(a) Term Loan		
336	Term Loan - Allahabad Bank (Secured by Lasik Laser)	0
	11198 Term Loan - UTI (Secured by First Charge on assets created out of this Term Loan)	448
32117	Term Loan - SBI (Secured by First Charge on assets created out of this Term Loan)	74021
	Term Loan - SBI (Secured by First Charge on entire fixed assets including assets created out of this Term Loan excluding vehicles specifically charged to other banks)	126635
	Cash Credit - SBI (Hypothecation of all current assets)	14924
3040	ICICI Bank Loan (Secured by Surgical Equipments - CK Vision)	745
2771	ICICI Bank Loan (Secured by hypothecation of Vehicles)	2180
49462	TOTAL	218953

FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31.03.2008

SCHEDULE 'D'

Description	Gross Block as on 31.03.07	Additions during the year	Deletions during the year	Gross Block as on 31.03.08	Depn. Upto 31.03.2007	Depn for the 12 months as at 31/03/08	Total Depreciation 31.03.08	Net Block as on 31.03.08	Net Block as on 31.03.07
Tangible Assets									
Surgical Equipments	121,660,823	68,235,218	420,000	189,476,041	75,643,848	20,501,180	96,145,028	93,331,013	46,016,975
Electrical Fittings	15,317,654	40,783,033	42,239	56,058,449	5,084,792	4,650,025	9,734,817	46,323,631	10,232,861
Computers	5,341,815	5,440,253	-	10,782,068	3,687,951	1,672,270	5,360,221	5,421,847	1,653,864
Furniture & Fixtures	8,566,334	31,039,295	-	39,605,629	4,774,613	2,419,419	7,194,032	32,411,597	3,791,721
Vehicles	13,384,171	12,592,206	649,378	25,326,999	6,136,710	3,344,285	9,480,995	15,846,005	7,247,462
Intangible Assets									
Goodwill		8,983,371		8,983,371	-	449,168	449,168	8,534,203	-
	164,270,798	167,073,376	1,111,617	330,232,557	95,327,913	33,036,347	128,364,261	201,868,297	68,942,884

SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2008

31.03.2007 (Rs in '000s)		31.03.2008 (Rs in '000s)
SCHEDULE "E" INVESTMENTS		
Long Term Investment		
(a) Investment in Equity		
	Quoted non trade investments of	
319	Polyspin Exports Ltd.31900 Shares of Rs10 each	0
	Market value Rs 9/- per share	
<u>319</u>		<u>319</u>
Current Investments		
(b) Investment in Mutual Funds		
250	HDFC Floating Rate Income Fund	0
500	Prudential ICICI Liquid Plan	0
550	Pru ICICI Liquid Plan	0
200	Reliance Equity Opportunities Fund	0
500	Reliance Floating Fund	0
250	SBI Instacash Fund	0
200	SBI Magnum Global Fund	0
10000	Birla Fixed Term Plan - Q series 6	0
20000	Reliance Fixed Horizon Fund - II	0
250	Templeton India Treasury Mgmt	0
<u>33019</u>	TOTAL	<u>319</u>
SCHEDULE "F" - SUNDRY DEBTORS		
(Unsecured and Considered Good)		
290	Outstanding for a period exceeding 6 months	2241
11912	Other debts	20367
<u>12201</u>	TOTAL	<u>22609</u>
SCHEDULE "G" CASH & BANK BALANCES		
3248	Cash on hand	1253
Bank balances		
6253	In Current accounts with Scheduled Banks	4479
30072	In Deposit accounts with Scheduled Banks	5231
938	In Dividend accounts with Scheduled Banks	1041
<u>40511</u>	TOTAL	<u>12004</u>
SCHEDULE "H" - LOANS & ADVANCES		
(Unsecured, Considered good for which value to be realised in cash or in kind)		
7494	Advances	60615
36327	Deposits	65202
	Advance to Suppliers	498
<u>43820</u>	TOTAL	<u>126316</u>

SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2008

31.03.2007 (Rs in '000s)		31.03.2008 (Rs in '000s)
	SCHEDULE "I" - CURRENT LIABILITIES	
9043	Sundry Creditors for Expenses	19730
	Sundry Creditors for others	
2090	(a) Micro, Small and Medium Enterprises	0
26008	(b) Others	41526
931	Unpaid Dividend	1044
38071	TOTAL	62300
	SCHEDULE "J" - PROVISIONS	
22924	Provision for Taxation	25610
22298	Less : Adjusted as per contra in Adv.Tax	29040
626		-3431
6750	Proposed Dividend	6750
1147	Corporate Dividend Tax	1147
1915	Provision for FBT	3198
	Less : Adjusted as per contra in Adv.Tax	3040
		158
140	Retirement Benefits	1614
80	Provision for Wealth Tax	95
	Less : Adjusted as per contra in Adv.Tax	(45)
		50
10659	TOTAL	6287
	SCHEDULE "K" - MISCELLANEOUS EXPENDITURE	
2611	Renovation Expenses	1731
880	LESS : Written Off during the Year	880
1731	NET TOTAL	851

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

31.03.2007 (Rs in '000s)	DESCRIPTION	31.03.2008 (Rs in '000s)
<u>SCHEDULE I - HOSPITAL INCOME</u>		
171057	Income From Services	283170
13608	Income From Supply of Medicines	26694
30357	Income from Opticals	91936
<u>215022</u>		<u>401800</u>
<u>SCHEDULE II - OTHER INCOME</u>		
1330	Interest Received	1281
651	Sponsorship	180
248	Dividend Received (tax Free Mutual Fund)	904
281	Miscellaneous Income	189
0	Forex Gain	320
190	Fees Received - Phaco Training	254
2820	Fees Received - Knowhow Fee	2148
283	Discount Received	158
104	Debtors W/o Realised	34
0	Excess Provn W/b	6711
<u>5906</u>		<u>12179</u>
<u>SCHEDULE III - HOSPITAL OPERATIVE EXPENSES</u>		
17727	Clinical Expenses	35727
6865	Consultancy Charges	19008
106	Discount Opticals & Inpatients	529
4928	Electricity Charges	8085
22587	Materials Consumed	47619
4611	Other Hospital Expenses	10824
45040	Payments & Provision to Employees	113638
<u>101864</u>		<u>235429</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

31.03.2007 (Rs in '000s)	DESCRIPTION	31.03.2008 (Rs in '000s)
<u>SCHEDULE IV - ADMINISTRATIVE EXPENSES</u>		
73	Audit Fees	129
0	Bad Debts	2699
792	Conference Expenses	474
7200	Directors Remuneration	9600
80	Food & Beverages	0
139	Hire Charges	13
15165	Interior Decoration expenses	10501
102	Legal Fees	342
309	Office Maintenance	989
2900	Printing & Stationery	5661
199	Professional charges	428
317	Rates & Taxes	505
13906	Rent	45857
5088	Repairs & Maintenance	4582
374	Software Development Charges	308
15364	Other Administrative expenses	23666
1895	Telephone Charges	3480
0	Telephone - lease line	0
9712	Travelling & Conveyance	11159
979	Vehicle Maintenance	2074
74596		122467
<u>SCHEDULE V - FINANCIAL EXPENSES</u>		
1484	Financial Charges	2639
1692	Interest on Loans paid to Banks	13920
3177		16559
<u>SCHEDULE A - MATERIALS CONSUMED</u>		
2363	Opening Stock	4337
Add : Materials Purchased		
13576	Opticals	40454
10723	Pharmacy	25939
262	Others	481
26923		71210
4337	Less : Closing Stock	23591
22587		47619

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

31.03.2007 (Rs in '000s)	DESCRIPTION	31.03.2008 (Rs in '000s)
	<u>SCHEDULE B - OTHER HOSPITAL EXPENSES</u>	
380	Consumables Computers	684
579	Fees Paid	206
111	Freight Outward	102
69	Gas Consumption	47
1493	Hospital Maintenance	7718
89	Insurance(Equipments)	361
174	Insurance(Vehicle)	189
1404	Laboratory Expenses	589
52	Optical labour chgs	433
248	Patient Food Expenses	202
13	Security Charges	293
4611		10824
	<u>SCHEDULE C - PAYMENTS & PROVISIONS TO EMPLOYEES</u>	
107	Administration Charges a/c no. 02	274
1	Administration Charges a/c no. 22	2
0	Consultation Charges - Doctors	5519
3167	Bonus	1908
1276	Employer's Contribution	2990
549	Gratuity	1566
49	Insurance Fund a/c no. 21	56
143	Medical Reimbursement	91
451	Keyman Insurance	448
528	Staff Welfare Paid	2497
38509	Salaries	98096
	Employee Group Insurance - EDLI	48
259	Stipend	141
45040		113638

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

31.03.2007 (Rs in '000s)	DESCRIPTION	31.03.2008 (Rs in '000s)
<u>SCHEDULE D - OTHER ADMINISTRATIVE EXPENSES</u>		
4352	Advertisement	8611
144	Books & Periodicals	130
156	Brokerage Expenses	788
472	Business Promotion Expenses	1591
0	Camp expenses	221
2300	Donation Paid	2080
2026	Entertainment Expenses	6144
1345	Golden Jubilee Celebration	0
61	Insurance - others	157
63	Internet Charges	303
93	Inauguration expenses	1177
80	Listing Fees	46
267	Membership & Subscription A/C	97
394	Sundry Expenses	455
546	Outdoor patient screening expenses	3
200	Patient Compensation	0
456	Postage Expenses	532
20	Renewal Fees	4
392	Sales Tax paid	1
107	Share Transfer Agent Fees	178
65	Sitting Fees	58
1267	Sundry Debtors w/off	653
120	Water Consumption	273
10	Delegate Fees	91
426	Prior Period Expenses	75
15364		23666
<u>SCHEDULE E - TRAVELLING & CONVEYANCE</u>		
Travelling Expenses - Directors		
971	- Domestic	720
5253	- Foreign	4318
3488	Travelling Expenses - Others	6122
9712		11159

**SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31.03.2008**

SCHEDULE – ‘M’

A SIGNIFICANT ACCOUNTING POLICIES :

● **Basis of preparation of financial statements**

The financial statements are prepared in accordance with mandatory accounting standards issued by the Institute of Chartered Accountants of India (“ICAI”), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Management evaluates all recently issued or revised accounting standards on an ongoing basis.

● **Use of estimates**

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made, a disclosure is made as contingent liability. Actual results could differ from those estimates.

● **Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

● **Depreciation and amortization Charges**

Depreciation on fixed assets has been provided at the rate specified in Schedule XIV of the companies Act. In the case of Surgical equipment depreciation has been provided @25% on the basis over the useful lives of assets estimated by the management.

Depreciation on fixed assets is applied on the Written down Method.

Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for less than Rs. 5,000/-) are entirely depreciated in the year of acquisition.

- **Revenue Recognition**

1. Hospital Income are net of discounts – Revenue is recognized as the related services are rendered.
2. Pharmacy sales are stated net of returns, discounts – Revenue is recognized at the time of physical sale
3. Optical sales are stated net of returns, discounts – Revenue is recognized at the time of physical sale
4. Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Dividend income is recognized when the company's right to receive dividend is established.
5. Technical Knowhow fees – Revenue is recognized on an accrual basis.

- **Inventory**

Inventory is valued at Cost or net realizable value whichever is less.

- **Fixed assets, intangible assets and capital work-in-progress**

Fixed assets are stated at cost, less accumulated depreciation and impairment losses recognized.

- **Transaction in foreign currencies**

Translated exchange losses or gains are dealt with in the profit & Loss Account in accordance with Accounting Standard 11 – "Accounting for the effect of changes in Foreign Exchange Rate" issued by the ICAI.

- **Employee benefits**

Defined contribution plan

(a) Provident Fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. An aggregate contribution along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the company make monthly contributions to the fund.

Defined benefit plan

(a) Gratuity

LIC provides for a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by Project Unit Credit Method as of the balance sheet date, based upon which, the company contributes all the ascertained liabilities to the Gratuity Fund.

(b) Leave encashment Benefits

The company has no Leave encashment Scheme as a part of Retirement benefit scheme.

- **Short term benefits**

Short term employee benefits are recognized as expense as per company's scheme based on expected obligation on undiscounted basis.

- **Income Tax**

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

- **Earnings per share**

In determining earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. And the number of shares used in computing Diluted earnings per share is the weighted average number of shares outstanding during the period.

- **Impairment**

During the year 2006-07 on a review of fixed assets certain selected Medical Equipment were identified and impaired. For the current year on a review as required by AS 28, the Management is of the opinion that no impairment loss or reversal of impairment loss is required, as conditions of impairment do not exist

- **Bad debts policy**

On the recommendation of the Audit committee, the Board of Directors have approved a policy of bad Debts.

- **Intangible Assets**

Intangible assets are initially recognized at cost and amortised over the best estimates of their useful life

- **Investments**

Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

- **Related party Transactions**

The details of related party transactions entered into by the company during the year ended 31st March 2008 is given in notes of accounts (Note: 9)

- **Contingent Liabilities**

Claims against the company not acknowledged as debt, Rs. NIL.

- **Segment reporting**

Entire income is treated as one segment hence segment reporting is not applicable

B. NOTES ON ACCOUNTS :

1. Previous year figures have been regrouped wherever necessary.
2. Loans and Advances includes an amount of Rs 105.88 Lacs/- paid as prepaid rent for Retina Foundation (P.Y. Rs Nil-) to M/s Orbit International, a Partnership firm, in which some of the Directors are interested as partners.
3. Expenditure incurred in foreign currency towards foreign travel, subscription for magazines, membership fees, repairs and maintenance and advertisement amounts to Rs .15,77,737/- (P.Y.Rs 18,47,100/-).
4. Total number of Managing and Whole-time Directors is 4.
 - a) Remuneration drawn Rs 96,00,000/- (Minimum remuneration)

Since the remuneration is within the limits and in accordance with Schedule XIII, computation of remuneration under sec. 198 and sec 349 of Companies Act, 1956 has not been given.
5. a) The CIF value of machinery imported during the year is Rs 261,56,170 /- (P.Y. Rs 83,83,502-)
 - b) Payment to Auditors (Excluding Service Tax):

Audit Fees	Rs.90,000/-
Taxation Matters	Rs.25,000/-
Management services	Rs.1,61,000/-
6. Quantitative particulars of medicines and other optical materials cannot be given in view of the large number of diverse hospital consumables and less than 10% of materials consumed and traded during the year. In this connection company has made an application for exemption u/s 211 with Schedule VI to the Companies Act, 1956. In the absence of such quantitative details the company is unable to provide the segment results. The auditors have relied on the company information.

7. Deferred Tax Asset has not been recognized as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
8. Micro, Small and Medium enterprises Act 2006

In accordance with the Notification No.GSR 719 (E) dt 16.11.2007, issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small medium Enterprises as defined under the Micro, Small and medium Development Act 2006. The company is in the process of compiling relevant information is not readily available, no disclosures have been made in the account. However, in view of the management, and relied upon by the Auditors, the impact of interest, if any, that may be payable in accordance with the provisions of this act is not expected to be material.

9. Related Party Transactions

Nature of Related Party	Nature of Relationship	Nature of Transaction	Amount Rs
Mrs. S.Shyamala	Relative of a Director	Employment	1,08,000/-
Orbit International	Partnership of Relatives of Key Management Personnel	Prepaid Rent	1,05,88,800/-
Dr.Agarwal's Eye Institute	Partnership of Relatives of Key Management Personnel	Payment of Rent	3,21,04,050/-
Dr. J.Agarwal	Wholetime Director	Director's Remuneration	24,00,000/-
Dr.(Mrs)T.Agarwal	Mg.Director	Director's Remuneration	24,00,000/-
Dr. Amar agarwal	Jt.Mg.Director	Director's Remuneration	24,00,000/-
Dr. Athiya Agarwal	Wholetime Director	Director's Remuneration	24,00,000/-
Ms.Sudha (up to 27.3.08)	Wholetime Director	Director's Remuneration	12,25,000/-
Dr. R.R.Sasikanth	Director	Consultancy Charges (Central Govt. Approval obtained)	2,52,000/-
Mrs Farah Agarwal	Relative of a Director	Employment	6,00,000/-
Mrs.Fouris Khan	Relative of a Director	Employment	1,86,000/-
Mrs.S.Sabiha	Relative of a Director	Employment	1,44,000/-
Mr.Salimuddin	Relative of a Director	Employment	1,21,000/-
Dr.Agarwal's Pharma Ltd.	Common Directors	Purchase of Medicines	22,90,276/-
Diana World Travel (P) Ltd	Common Directors	Purchase of Tickets (Dept. of Company Affairs Approval obtained)	35,40,815/-

**COMPANY'S GENERAL BUSINESS PROFILE
AS AT 31ST MARCH 2008**

Registration Details

Registration No.	27366	State Code	18
Balance Sheet Date	31.03.2008		

Capital raised during the year

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
Govt. Contribution	NIL		

Position of Mobilization and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	318970	Total Assets	318970
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Source of Funds

Paid up capital	45000	Reserve & Surplus	51826
Secured Loans	218953		
Unsecured Loans	NIL		

Application of Funds

Net Fixed Assets	201868	Investment	319
Net Current Assets	115932	Miscellaneous Exp.	851
Accumulated Losses	NIL		

Performance of the Company

Turnover *	413979	Total Expenditure	408732
Profit/(Loss) before tax	5607	Profit/(Loss) after tax	1544
Earnings per share in Rs.	0.34	Dividend rate	15%

Generic Name of Principal Products/Services of the Company (As per Monetary Terms)

- (a) ITC Code Not Applicable
(b) Service Description EYE HOSPITAL

A.A. Shiraz
Company Secretary

Dr. J. Agarwal
Chairman

Dr. T. Agarwal
Managing Director

Chennai
19th May 2008

ATTENDANCE SLIP

Name of the Member :
Address :
Folio Number :
Client ID* :
DP.ID* :

*** Applicable for investors holding shares in electronic form**

I /We hereby record my/our presence at the ANNUAL GENERAL MEETING of the Company at the registered office of the Company at AM on

Signature of the attending Member/Proxy :

TEAR HERE

PROXY FORM

I/We.....
Of..... being a member/members of DR AGARWAL'S EYE HOSPITAL Limited hereby appoint.....
Of..... or failing him
Of..... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held on 12th August 2008 at 11.00 AM or at any adjournment thereof.

Affix Re.1 Revenue Stamp

Signed this day of 2008

Folio No.:
Client Id*:
DP.Id*:
Number of shares :

*** Applicable for investors holding shares in electronic form**

NOTES :

1. The Proxy form duly filled-in must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
2. Shareholder / Proxy holder wishing to attend the Meeting must bring the Attendance Slip to the Meeting duly filled in and hand it over at the Entrance of the Meeting Hall.

(TEAR HERE)

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