

# **Dr. Agarwal's Eye Hospital Limited**

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



**Sixteenth Annual Report  
2009 – 2010**

## 16th Annual Report

<b>Board of Directors</b>	Dr. Amar Agarwal (Chairman cum Managing Director) Dr. Athiya Agarwal (Wholetime Director) Dr. Jasvinder Singh Saroya Dr. Sasikanth R. R. Mr. M. R. G. Apparao Mr. Prabhat Toshniwal Dr. Adil Agarwal Dr. Ashvin Agarwal Dr. Dipan Desai Mr. Sanjay Anand Dr. Anosh Agarwal
<b>Auditors</b>	M/s. M. K. Dandeker & Co. Chartered Accountants 244, Angappa Naicken Street, Chennai 600 001.
<b>Registered Office</b>	19 (Old No.13), Cathedral Road, Chennai 600 086.
<b>Bankers</b>	(1) State Bank of India, Gopalapuram Branch, Chennai 600 086.  (2) State Bank of India, Industrial Finance Branch, Chennai 600 002.
<b>Share Transfer Agents</b>	Integrated Enterprises India Ltd. 2 <sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai 600 017 Tel : 2814 0801-03

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## NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of the shareholders of the company will be held on 24<sup>th</sup> August 2010 at 11.00 a.m. at 19 (Old No.13), Cathedral Road, Chennai 600 086 to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To re-appoint a director in the place of Dr.Athiya Agarwal who retires by rotation.
4. To re-appoint a director in the place of Mr M.R.G.Appa Rao who retires by rotation.
5. To re-appoint a director in the place of of Dr.Sasikanth, who retires by rotation.
6. To appoint the Auditors and to fix their remuneration. The retiring auditors, M/s M.K.Dandekar & Co., Chartered Accountants, Chennai, are eligible for reappointment.

### SPECIAL BUSINESS

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

7. As a SPECIAL Resolution:

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

8. As a SPECIAL Resolution:

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

## 9. As a SPECIAL Resolution:

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

## 10. As a SPECIAL Resolution:

”RESOLVED THAT , subject to the approval of the members of the company and subject to the provisions of Section 198 , 309 , other relevant provisions of the Companies Act, 1956 and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the appointment of Dr.Anosh Agarwal as whole time director of the company for a period of three years with effect from 0105/2010 and he be paid remuneration by way of salary, commission and perquisites in accordance with Part II (B) of Schedule XIII of the Act which shall not exceed Rs.2,50,000/-(Rupees Two Lac and Fifty Thousand ) per month.(Including the remuneration to be paid to him in the event of loss of inadequacy of profits in any financial year during the above said period).”

By Order of the Board

Sd/-

Dr.AmarAgarwal

Chairman Cum Managing Director

Place: Chennai

Date : 28.04.2010

**NOTES:-**

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

6. Members are requested to notify immediately changes in their respective addresses, if any, quoting their folio number so that the dividend warrants are correctly despatched.
7. In case the members desire that the dividend be credited to their bank account through Electronic Clearing Service (ECS). Kindly send the ECS mandate form duly completed in all respects immediately. This has already been sent to all the shareholders.
8. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
9. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.

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

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange.

Name of Director	Expertise in Specific Functional Areas	Qualifications	Director-Ship in Other Public Companies	Chairman/ Member of Committee
Dr. Athiya Agarwal	Ophthalmology	M.D,F.R.S.H(Lon.) D.O.	NIL	NIL
Dr.Sasiknath R.R	Ophthalmology	M.D.	NIL	Chairman-Remuneration Committee, Member Shareholders/ Investors' Grievance & Audit Committee. (up to 28.04.10)
Mr.M.R.G.Apparao	Consultant	B.Sc,DMIT,PGDM (IIM Calcutta)	NIL	Chairman-Audit Committee, Member Remuneration & Shareholders/ Investors' Grievance Committee.

By Order of the Board  
Sd/-

Dr. Amar Agarwal  
Chairman Cum Managing Director

Place : Chennai  
Date : 28.04.2010

**ANNEXURE TO NOTICE  
EXPLANATORY STATEMENT**

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

**ITEM: 3,7, 8,9 and 10**

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

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

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

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

**I. GENERAL INFORMATION**

1. Nature of Industry	EYE HOSPITAL																				
2. Date of Commencement of Business	12 <sup>th</sup> July, 1994																				
3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in prospectus.	Not Applicable																				
4. Financial Performance	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right;">Rs. in Lakhs</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td style="text-align: right;">8889.48</td> </tr> <tr> <td>Profit after Tax</td> <td style="text-align: right;">52.41</td> </tr> <tr> <td>Paid-up Share Capital</td> <td style="text-align: right;">450.00</td> </tr> <tr> <td>Reserves &amp; Surplus</td> <td style="text-align: right;">560.66</td> </tr> <tr> <td>Long term loans</td> <td style="text-align: right;">2757.86</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>3768.52</b></td> </tr> <tr> <td>Less: Investments</td> <td style="text-align: right;">3.19</td> </tr> <tr> <td>Preliminary Expenses (To the extent not written off)</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td><b>Effective Capital as on 31-03-10</b></td> <td style="text-align: right;"><b>3765.33</b></td> </tr> </tbody> </table>		Rs. in Lakhs	Sales	8889.48	Profit after Tax	52.41	Paid-up Share Capital	450.00	Reserves & Surplus	560.66	Long term loans	2757.86	<b>Total</b>	<b>3768.52</b>	Less: Investments	3.19	Preliminary Expenses (To the extent not written off)	Nil	<b>Effective Capital as on 31-03-10</b>	<b>3765.33</b>
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Less: Investments	3.19																				
Preliminary Expenses (To the extent not written off)	Nil																				
<b>Effective Capital as on 31-03-10</b>	<b>3765.33</b>																				
5 Export performance and net Foreign Exchange Collaborations, if any	NIL																				
6. Foreign investments or Collaborations, if any	NIL																				

**II. INFORMATION ABOUT APPOINTEE:**

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

By Order of the Board  
Sd/-

Dr. Amar Agarwal  
Chairman Cum Managing Director

Place : Chennai  
Date : 19.05.2009

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



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

**III. OTHER INFORMATION**

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

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

By Order of the Board  
Sd/-

Dr. Amar Agarwal  
Chairman Cum Managing Director

Place : Chennai  
Date : 19.05.2009

## **DIRECTORS' REPORT**

Your Directors have the pleasure in presenting the SIXTEENTH ANNUAL REPORT and that of the Auditors together with the audited Balance Sheet as at 31<sup>st</sup> March 2010 and the Profit and Loss account for the year ended on that date.

## **PERFORMANCE**

The financial results for the year ended 31<sup>st</sup> March 2010 are as under:

	Rs. (In Lacs)	
	<b>31.03.2009</b>	<b>31.03.2010</b>
Income	7329.97	8889.48
Profits before depreciation and interest	968.88	1138.13
Depreciation	547.57	613.96
Interest	360.88	424.96
Profit before Tax	60.43	99.21
Provision for taxation	40.20	46.80
Profit After Tax	20.23	52.41
Provision for Dividend	- -	36.00
Tax on proposed Dividend	- -	6.12
Transfer to general Reserve	- -	5.00
Surplus carried to Balance Sheet	90.37	95.66

## **COURSE OF BUSINESS AND OUTLOOK**

During the year under review, progress has continued in the company's performance. Your company had achieved a turnover of Rs.88.89 crores as compared to the turnover of Rs.73.30 crores, which is 21% growth over the previous year level. The profit before tax was Rs.99.21 lacs as compared to Rs.60.43 lacs 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.

## **DELISTING OF EQUITY SHARES:**

The Company had made an application to Madras Stock Exchange Limited for delisting of shares. The application is still pending with the exchange.

## **DIVIDEND**

The Directors recommend a dividend of 8% exclusive of dividend tax for the financial year ended 31<sup>st</sup> March 2010 .

**DIRECTORS**

Dr. Athiya Agarwal, Dr.Sasikanth,R.R and Mr.M.R.G.Apparao retire by rotation and are eligible for re-appointment and Dr.Sasikanth does not seek reappointment.

Consequent to the demise of Dr.J.Agarwal, Founder and Chairman on 14.11.2009, the Board in its meeting held on 27.01.2010, appointed Dr Amar Agarwal, Managing Director as Chairman Cum Managing Director of the Company.

Dr.Ashvin Agarwal, Dr.Dipam Desai have resigned their Directorships with effect from 28.04.2010.

**INVESTOR EDUCATION AND PROTECTION FUND:**

Pursuant to section 205C of the Companies Act, 1956, your company has transferred a sum of Rs.99610/- being unclaimed final dividend for the year 2001-02.

**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:**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company at the registered office of the Company

**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. 15.62 Lacs towards training

Foreign Outgo : Rs.159.94 Lacs towards purchase of medical equipment

**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 GOVERNANCE:**

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2010 duly certified by the auditors of the company is annexed (Annexure – B)

**ACKNOWLEDGEMENTS:**

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

For and on behalf of the Board

Sd/-

Dr.AmarAgarwal

Chairman Cum Managing Director

Place: Chennai

Date : 28.04.2010

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

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

**II. Performance Review**

During the year, the Company has started a Super Speciality Eye Hospital for Retinal care with state of art technology in Chennai city. Further three secondary care, one primary care hospitals and three rural out reach clinics were started in Chennai and around Tamil Nadu.

The company had achieved a turnover of Rs.88.89 crores as compared to Rs.73.30 crores in last year and made a profit of Rs.52.41 lacs as compared to Rs.20.24 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. 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 11 comprising of 2 executive director and 9 non-executive directors, of which 6 are independent.

**II. Board Meetings & Attendance of Directors**

During the year 2009-10, 7 (Seven) Board Meetings were held at # 19, Cathedral Road, Chennai-600 086 on the following dates:

20/04/2009, 19/05/2009, 22/07/2009,25/08/2009, 20/10/2009,17.11.2009 and 27/01/2010

## III. COMPOSITION AND CATEGORY OF DIRECTORS:

Name	Designation	Category	No. of Board Meetings attended during 2008-09	Whether attended last AGM	No. of directorships in other public companies	No. of committee memberships (chairmanship) in public companies
1. Dr. J. Agarwal (upto 14.11.09)	Chairman-cum-Whole Time Director	Executive & Non-independent (Promoter)	4	YES	1	NIL
2. Dr. Amar Agarwal (with effect from 27.01.2010)	Chairman-cum-Managing Director	Executive & Non-independent (Promoter)	7	YES	2	NIL
3. Dr. Athiya Agarwal	Whole Time Director	Executive & Non-independent (Promoter)	7	YES	3	NIL
4. Dr. Jasvinder Singh Saroya	Director	Non Executive Independent	NIL	NO	NIL	NIL
5. Dr. Sasikanth R. R.	Director	Non Executive Independent	6	NO	1	NIL
6. Mr. M. R. G. Apparao	Director	Non Executive Independent	3	YES	NIL	NIL
7. Dr. Adil Agarwal	Director	Non Executive & Non-Independent (Promoter)	7	NO	1	NIL
8. Mr. Prabhat Toshniwal	Director	Non Executive Independent	NIL	NO	NIL	NIL
9. Dr Ashvin Agarwal	Director	Non Executive & Non Independent (Promoter)	7	NO	2	NIL

10. Dr Dipan Desai	Director	Non Executive Independent	NIL	NO	NIL	NIL
11. Mr. Sanjay Anand	Director	Non Executive Independent	6	YES	NIL	NIL
12. Dr. Anosh Agarwal	Director	Non Executive & Non Independent (Promoter)	7	NO	1	NIL

#### IV. Directors 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 3 non-executive independent directors Mr. M R G Appa Rao, Dr Saiskanth.(up to 28.04.10),Mr Sanjay Anand 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.



#### **4. REMUNERATION COMMITTEE**

##### Constitution

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

1. Dr. Sasikanth R. R.(up to 28.04.10) - Chairman
2. Mr. M. R. G. Apparao (from 28.04.10) - Chairman
3. Mr Sanjay Anand - Member
4. Mr Prabhat Toshniwal(From 28.04.10) - Member

##### 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 2009-10, meeting of the Remuneration Committee was held on 19th May, 2009.

##### 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.

#### **5. 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 31-03-2010 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. Mr. M. R. G. Apparao - Chairman
2. Dr. Sasikanth R. R.(upto 28.04.10) - Member
3. Mr Sanjay Anand - Member
4. Mr.Prabhat Toshniwal(From 28.04.10) - Member

The Committee is chaired by Mr M.R.G Apparao.

Dr.Amar Agarwal, CMD 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 31<sup>st</sup> March 2010, 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.

## 6. GENERAL BODY MEETINGS.

### I. Meeting Details

Year	Location	Date	Time	Number of Special Resolution passed
2006-07	Registered Office	18-09-2007	10.30 A.M	NIL
2007-08	Registered Office	12-08-2008	11.00 A.M	Three*
2008-09	Registered Office	25-08-2009	11.00 A.M	One*

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.

## 7. 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 2009-10 (Rs.)	Performance Incentive	Stock Options
1. Dr. J. Agarwal	Chairman-cum-Whole Time Director (upto 14.11.09)	1875000	NIL	NIL
2. Dr. Amar Agarwal	Chairman cum Managing Director	3000000	NIL	NIL
3. Dr. Athiya Agarwal	Whole Time Director	3000000	NIL	NIL
4. Dr. Jasvinder Singh Saroya	Director	NIL	NIL	NIL
5. Dr. Sasikanth R. R.	Director	25000	NIL	NIL
6. Mr. M. R. G. Apparao	Director	12500	NIL	NIL
7. Dr. Adil Agarwal	Director	17500	NIL	NIL
8. Mr. Prabhat Toshniwal	Director	10000	NIL	NIL
9. Dr. Dipan Desai	Director	NIL	NIL	NIL
10. Dr. Asvin Agarwal	Director	17500	NIL	NIL
11. Mr. Sanjay Anand	Director	25000	NIL	NIL
12. Dr. Anosh Agarwal	Director	15000	NIL	NIL

**8. CEO/CFO CERTIFICATION**

As required by clause 49 of the Listing Agreement, the certificate from Chairman and Managing Director was placed before the Board of Directors at their meeting held on 28<sup>th</sup> April, 2010.

**9. COMMUNICATION APPROACH**

The company's financial results are published in the News Today and Makkal Kural.

**10. GENERAL SHAREHOLDER INFORMATION****I. 16th Annual General Meeting**

The 16th annual general meeting will be held on 24th August, 2010 at 19, Cathedral Road, Chennai - 600 086.

**II. Tentative Financial Reporting Calendar**

<b>Financial Reporting 2010</b>	<b>From</b>	<b>To</b>	<b>Date</b>
1 <sup>st</sup> Quarter	April	June	31 <sup>st</sup> July
2 <sup>nd</sup> Quarter	July	September	31 <sup>st</sup> October
3 <sup>rd</sup> Quarter	October	December	31 <sup>st</sup> January
4 <sup>th</sup> Quarter	January	March	30 <sup>th</sup> April Unaudited / Audited on or before 30-05-2010
Annual General Meeting	April 2010	March 2011	On or before September 2010

**III. Book Closure**

The date of closure is from 17-08-2010 to 24-08-2010.

**IV. Stock Exchange Listing**

Stock Exchange	Stock Code	Listing Fees Paid upto on	ISIN No.
Bombay Stock Exchange	526783	31-03-2011	INE934C01018
Madras Stock Exchange Ltd.	118995	31-03-2010	Delisting approval awaited

## V. Market price data

High and low prices of Equity shares in the financial year 2009-10 were as follows :

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April 2009	38.50	38.35
May 2009	45.45	44.85
June 2009	44.95	39.80
July 2009	41.85	40.00
August 2009	43.80	42.80
September 2009	45.00	40.25
October 2009	48.05	45.00
November 2009	54.90	50.00
December 2009	54.00	52.40
January 2010	73.90	62.50
February 2010	65.00	52.00
March 2010	66.00	54.00

## VI. Share Transfer System

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

M/s. INTEGRATED ENTERPRISES (INDIA) LTD.  
 2<sup>nd</sup> 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 31-03-2010 there were no valid requests pending for transfer of shares.

## VII. Distribution of shareholding

As on 31<sup>st</sup> March, 2010

Category	Number of Shares held	% of holding
1. Promoters		
- Indian	2614974	58.11
- 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	465902	10.36
- Indian Public	1308640	29.08
- NRIs / OCBs	95963	2.13
- Other than specified above Clearing Members	14521	0.32
Total	4500000	100
Paid-up Shares	4500000	100

**DISTRIBUTION SCHEDULE AS ON 31/03/2010**

Sl. No.	Category of Shares	Holders		Shares	
		Nos.	%	Nos.	%
1	1 - 500	2353	86.13	338932	7.53
2	501 - 1000	168	6.15	139461	3.10
3	1001 - 2000	86	3.15	134987	3.00
4	2001 - 3000	45	1.65	113623	2.53
5	3001 - 4000	14	0.51	50572	1.13
6	4001 - 5000	12	0.44	54200	1.20
7	5001 - 100000	17	0.62	126146	2.80
8	100001 and above	37	1.35	3542079	78.71
	<b>TOTAL</b>	<b>2732</b>	<b>100.00</b>	<b>4500000</b>	<b>100.000</b>

**IX. Dematerialisation of shares**

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

**X Regd. Office Location**

The company has its Regd. Office at # 19 (Old No.13), Cathedral Road, Chennai – 600086.

**XI. Dematerialisation of Shares and Liquidity**

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

Approximately 34,37,611 being 76.39% shares have already been dematerialized.

For and on behalf of the Board

Place : Chennai  
Date : 28.04.2010

Sd/  
Dr.AmarAgarwal  
Chairman Cum Managing Director

**Declaration under clause 49 of the Listing Agreement  
regarding adherence to the code of conduct**

I, Dr.Amar Agarwal, Chairman cum Managing Director of the Company, hereby declare that the Board of Directors has laid down a code of conduct for its Board Members and Senior Management Personnel of the Company and the Board Members and Senior Management Personnel have affirmed compliance with the said code of conduct.

**FOR DR.AGARWAL'S EYE HOSPITAL LIMITED**

Sd/-

Place : Chennai

**DR.AMAR AGARWAL**

Date : 28.04.2010

**CHAIRMAN CUM MANAGING DIRECTOR**



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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 31<sup>st</sup> March 2010 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 as stipulated in the said clause. 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 and based on the representation made by the Directors and the Management, 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 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.,  
(ICAI Reg. No.000679S)

Sd/-

K. J. DANDEKER  
PARTNER

CHARTERED ACCOUNTANTS  
MEMBERSHIP No 018533

Place:Chennai  
Date : 28.04.2010

**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 31/03/2010 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

Sd/-  
Dr. Amar Agarwal

Sd/-  
Dr. Athiya Agarwal

Place: Chennai  
Date: 28.04.2010

**AUDITOR'S 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 2010 and also the Profit and Loss Account for the year 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.
- v. On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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:
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
  - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
  - c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

for M. K. DANDEKER & CO.,  
(ICAI Reg. No.000679S)

Sd/-

K. J. DANDEKER

PARTNER

CHARTERED ACCOUNTANTS

MEMBERSHIP No 018533

Place:Chennai

Date : 28.04.2010

**DR. AGARWAL'S EYE HOSPITAL LIMITED, CHENNAI**  
**ANNEXURE TO THE AUDITOR'S 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 and no material discrepancies were noticed on such verification.
- 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.4,25,00,000/- and Rs.4,17,37,000/- 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 being strengthened to be commensurate with the size of the Company and the nature of the business.
5. a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in 5(a) above and exceeding the value of Rs.5 lakhs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
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 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 31.03.2010 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. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and therefore Paragraph 4 (xii) of the order relating to maintenance of documents and records is not applicable.
18. The provisions of special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company and therefore Paragraph 4(xiii) of the order is not applicable.
19. The Company is not dealing or trading in shares, securities, debentures or other investments and therefore Paragraph 4(xiv) of the order is not applicable.
20. During the year covered by our Audit Report, the Company has not raised any money by public issue and therefore Paragraph 4(xx) of the order is not applicable.
21. 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.

for M. K. DANDEKER & CO.,  
(ICAI Reg. No.000679S)

Sd/-

K. J. DANDEKER  
PARTNER

CHARTERED ACCOUNTANTS  
MEMBERSHIP No 018533

Place:Chennai  
Date : 28.04.2010

**N K BHANSALI & CO.,**  
Company Secretaries  
“ CRESECENT COURT”  
963/15,Poonamallee High Road,  
Chennai-600084.  
Tamilnadu

### COMPLIANCE CERTIFICATE

To

The Members  
DR. AGARWAL'S EYE HOSPITAL LIMITED  
CHENNAI -86

I/We have examined the registers, records, books and papers of DR. AGARWAL'S EYE HOSPITAL LIMITED as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my/our opinion and to the best of my/our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/we certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as prescribed under the Act and the rules made there under.
3. The company is a public Limited and hence the other conditions of Private Limited company are not applicable.
4. The Board of Directors duly met 7 times on 20/04/2009, 19/05/2009, 22/07/2009, 25/08/2009, 20/10/2009, 17/11/2009, 27/01/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members, and/or Debenture holders during the year under review and duly complied with the provisions of section 154 of the companies Act,1956
6. The annual general meeting for the financial year ended 31/03/2009 was held on 25/08/2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

7. No extra ordinary meeting was held during the financial year under review.
8. The company has not advanced any loan to its directors and/or persons or firms or companies.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries wherever applicable in the register maintained under section 301 of the Act.
11. The company has no appointment covered u/s 314 .
12. The Board of Directors or duly constituted Committee of Directors has not approved the issue of any duplicate share certificates.
13. The Company has:
  - (i) delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission .
  - (ii) not declared any dividend during the financial year under review.
  - (iii) the company has not declared dividend during the year under review and hence transfer of unclaimed/unpaid dividend to Unpaid Dividend Account of the Company does not arise.
  - (iv) transferred the amounts in unpaid dividend account for the financial year 2001-02 which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund;
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors , alternate directors and directors to fill casual vacancies have been duly made.
15. The appointment of Managing Director/Whole-time Director/Manager has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act
16. No sole-selling agent was appointed during the period under review.
17. The company did not seek any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act .
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of section 299 of the Act and the rules made there under.
19. The company has not allotted any Equity shares during the financial year under review.
20. The company has not bought back any shares during the financial year ending under review.



21. The company has not issued any preference shares/debentures during the year.
22. The company has not declared any dividend and thus keeping in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act does not arise.
23. The company has not accepted any deposit from the public during the period under review.
24. The amount borrowed by the Company during the financial year ending 31/03/2010 is within the borrowing limits of the company .
25. The company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate except for the borrowings made by the company during the year under review.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the year under review.
31. There is no prosecution initiated against or show cause notice received by the company for alleged offenses under the Act and also the fines and penalties or any other punishment imposed on the company during the financial year.
32. The company has not received any amount as security from its employees during the year under certification as per provisions of section 417(1) of the Act.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

for N.K.BHANSALI & CO.,  
Company Secretaries  
Sd/-  
(N.K.BHANSALI)  
Proprietor  
C.P.No : 2321 FCS No. 3942

Place:Chennai  
Date:28<sup>th</sup> April, 2010

## ANNEXURE A

(Referred to in our certificate of even date)

Registers as maintained by the Company under various provisions of the Act.

1. Register of members with index u/s 150&151.
2. Minutes books of general meetings u/s 193.
3. Minutes books of board meetings u/s 193.
4. Books of accounts u/s 209.
5. Register of directors, managing directors, manager and secretary u/s 303.
6. Register of charges.
7. Register of directors shareholdings
8. Register of contracts in which directors are interested u/s 301.
9. Register of Investments, Loans and Guarantees under Section 372 A of the Act.
10. Register of share transfer
11. Register of Fixed Assets

for N.K.BHANSALI & CO.,  
Company Secretaries

Sd/-

(N.K.BHANSALI)

Proprietor

C.P.No : 2321 FCS No. 3942

Place:Chennai

Date: 28<sup>th</sup> April, 2010

## ANNEXURE B

(Referred to in our certificate of even date)

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

Sl. No.	Document Type / Form No	U/S* of The companies Act,1956	Filed vide SRN No
1	FORM 23AC & FORM 23ACA	220	P34894394
2	FORM 20 B	159	P37312501
3	FORM 32	303	A74746736
4	FORM 32	303	A72492416
5	FORM 32	303	A86024411
6	FORM 32	303	A63667000
7	FORM 32	303	A61703492
8	FORM 17	140	A61477535
9	FORM 17	140	A61476982
10	FORM 1	205(c)	A59215541
11	FORM 1	205(c)	A69798304
12	FORM 23	192	A68973312
13	FORM 25C	269	A63668479
14	FORM 23	192	A63664049

for N.K.BHANSALI & CO.,  
Company Secretaries

Sd/-

(N.K.BHANSALI)

Proprietor

C.P.No : 2321 FCS No. 3942

Place:Chennai

Date:28<sup>th</sup> April,2010

**BALANCE SHEET AS AT 31.03.2010**

31.03.2009 (Rs in 000's)	DESCRIPTION	SCH	31.03.2010 (Rs in 000's)
	<b>I SOURCES OF FUNDS</b>		
	(i) Shareholders Funds		
45000	(a) Share Capital	<b>A</b>	45000
55037	(b) Reserves & Surplus	<b>B</b>	56066
299343	(ii) Secured loans	<b>C</b>	313693
11365	(iii) Unsecured loans	<b>D</b>	3565
3191	(iii) Deferred Tax Liability(Net)		3191
<b>413936</b>	<b>TOTAL</b>		<b>421515</b>
	<b>II APPLICATION OF FUNDS</b>		
	(i) <b>Fixed Assets</b>		
<b>437016</b>	Gross Block		<b>529913</b>
166852	Less: Accumulated Depreciation		241216
<b>270164</b>	<b>Net Block</b>	<b>E</b>	<b>288697</b>
<b>319</b>	(ii) <b>Investments</b>	<b>F</b>	<b>319</b>
	(iii) <b>Current Assets, Loans and Advances</b>		
38421	(a) Inventories	<b>G</b>	37885
40457	(b) Sundry Debtors	<b>H</b>	53072
27112	(c) Cash and Bank Balance	<b>I</b>	20293
148436	(d) Loans & Advances	<b>J</b>	1422,13
<b>254426</b>		<b>'x'</b>	<b>253463</b>
	<b>Less: Current Liabilities &amp; Provisions</b>		
105141	(a) Current Liabilities	<b>K</b>	112358
5833	(b) Provisions	<b>L</b>	8606
<b>110974</b>		<b>'y'</b>	<b>120964</b>
<b>143452</b>	<b>Net Current Assets</b>	<b>'x'-'y'</b>	<b>132499</b>
<b>413936</b>	<b>TOTAL</b>		<b>421515</b>

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

Sd/- <b>Dr. Amar Agarwal</b> <i>Chairman &amp; Managing Director</i>	Sd/- <b>Dr. Athiya Agarwal</b> <i>Director</i>	As per our Report Annexed For M.K.DANDEKER & CO., (ICAI Reg. No.000679S) Sd/- PARTNER CHARTERED ACCOUNTANTS MEMBERSHIP No 18533
Chennai 28th April 2010		

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

<b>31.03.2009</b> (Rs in '000s)	<b>INCOME</b>	<b>Sch</b> (Rs in '000s)	<b>31.03.2010</b>
727707	Hospital Income	<b>M</b>	879716
5290	Other Income	<b>N</b>	9232
<b>732997</b>			<b>888948</b>
	<b>EXPENDITURE</b>		
153919	Materials consumed	<b>O</b>	196378
123950	Hospital Operative Expenses	<b>P</b>	177037
346486	General & Administrative Expenses	<b>Q</b>	386007
7868	Other Hospital expenses	<b>R</b>	12701
39118	Financial Expenses	<b>S</b>	42496
54757	Depreciation & Amortization		61396
-	Impairment Loss		3014
<b>726097</b>			<b>879028</b>
<b>6900</b>	Operating Profit before Taxation and Exceptional items		<b>9921</b>
856	Misc. Expenditure Written Off or Amortised		-
<b>6044</b>	<b>NET PROFIT BEFORE TAX</b>		<b>9921</b>
	<b>Less: Tax expenses</b>		
1600	Current Tax		4650
2385	Fringe Benefit Tax		-
35	Wealth Tax		30
<b>2024</b>	<b>NET PROFIT FOR THE YEAR</b>		<b>5241</b>
<b>5826</b>	<b>ADD: Opening Balance B/F</b>		<b>9037</b>
<b>1188</b>	Excess Tax Provision of earlier years written back		-
<b>9037</b>			<b>14278</b>
	<b>LESS : APPROPRIATIONS</b>		
-	Proposed Dividend 2009-10		3600
-	Corporate Dividend Tax 2009-10		612
-	Amount transferred to General Reserve		500
<b>9037</b>	<b>SURPLUS CARRIED TO BALANCE SHEET</b>		<b>9566</b>
	Basic and Diluted Earnings per share of Rs. 10/- each		
<b>0.45</b>	- <b>Basic EPS</b>		<b>1.16</b>
<b>0.45</b>	- <b>Diluted EPS</b>		<b>1.16</b>

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

Sd/-  
**Dr. Amar Agarwal**  
*Chairman &  
Managing Director*

Sd/-  
**Dr. Athiya Agarwal**  
*Director*

As per our Report Annexed  
For M.K.DANDEKER & CO.,  
(ICAI Reg. No.000679S)

Sd/-  
PARTNER  
CHARTERED ACCOUNTANTS  
MEMBERSHIP No 18533

Chennai  
28th April 2010

**CASH FLOW STATEMENT FOR 2009-2010**

<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Year Ended 31.03.10</b>	<b>Year Ended 31.03.09</b>
<b>Description</b>	<b>Rs in 000s</b>	<b>Rs in 000s</b>
Net Profit before tax and extraordinary items	9921	6043
<b>Adjustments for :</b>		
Depreciation	64409	54757
Misc expenses written off or amortised	-	856
Interest expenses	39,852	36088
Forex Gain	-	-
Interest / Dividend	(309)	(239)
Profit on Sale of Assets	(42)	-
	<b>103,911</b>	<b>91462</b>
<b>Operating Profit before Working Capital Charges</b>	<b>113,832</b>	<b>97504</b>
Adjustments of Working Capital Charges		
Increase in Trade Payables	19010	42841
Decrease in provisions	(3850)	(5109)
Increase in Trade Receivables	(12614)	(17850)
Decrease in Other Receivables	6223	(18,195)
Decrease in Inventories	536	(14830)
	<b>9305</b>	<b>(13143)</b>
<b>Net Changes in Working Capital Cash generated</b>	<b>123136</b>	<b>84362</b>
Direct Taxes	2269	2107
<b>Cash flow before extraordinary items</b>	<b>120867</b>	<b>82255</b>
<i>Net Cash from Operating Activities - A</i>	<b>120867</b>	<b>82255</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>Description</b>	<b>Rs in 000s</b>	<b>Rs in 000s</b>
Purchase of Fixed Assets (net)	(94754)	(123053)
Sale of Fixed Assets	61	-
Dividend Received	26	22
Interest Received	283	217
Sale proceeds of investments	-	-
<b>Net Cash used in Investing Activities - B</b>	<b>(94384)</b>	<b>(122813)</b>

**C CASH FLOW FROM FINANCING ACTIVITIES**

<b>Description</b>	<b>Year Ended 31.03.10 Rs in 000s</b>	<b>Year Ended 31.03.09 Rs in 000s</b>
Dividends & Dividend Tax	-	-
Proceeds from Secured Loans	49802	109878
Proceeds from Unsecured Loans	(7800)	11365
Interest paid	(39852)	(36088)
Repayment of Secured Loans	(35452)	(29489)
Proceeds from Issue of Equity Shares	-	-
<b>Net Cash inflow from Financing Activities - C</b>	<b>(33302)</b>	<b>55666</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(6819)</b>	<b>15108</b>
<b>CASH AND CASH EQUIVALENTS AT 31-03-2009</b>	<b>27112</b>	<b>12004</b>
<b>CASH AND CASH EQUIVALENTS AT 31-03-2010</b>	<b>20294</b>	<b>27112</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6819)</b>	<b>15108</b>

Sd/-  
**Dr. Amar Agarwal**  
*Chairman &  
Managing Director*

Sd/-  
**Dr. Athiya Agarwal**  
*Director*

As per our Report Annexed  
For M.K.DANDEKER & CO.,  
(ICAI Reg. No.000679S)

Sd/-  
PARTNER  
CHARTERED ACCOUNTANTS  
MEMBERSHIP No 18533

Chennai  
28th April 2010

**SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2010**

<b>31.03.2009</b> (Rs in '000s)		<b>31.03.2010</b> (Rs in '000s)
<b>SCHEDULE "A" SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
200000	200,00,000 Equity Shares of Rs. 10/- each	200000
<b>200000</b>	<b>TOTAL</b>	<b>200000</b>
Issued, Subscribed and paid up		
45000	45,00,000 Equity Shares of Rs.10/- each	45000
<b>45000</b>		<b>45000</b>
<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>		
4900	General Reserve (As per last Balance Sheet)	4900
-	Add: Set Aside this year	500
<b>4900</b>	<b>TOTAL</b>	<b>5400</b>
<b>41100</b>	Share Premium	<b>41100</b>
<b>Profit &amp; Loss Account</b>		
<b>9037</b>	Balance as per Profit & Loss account	<b>9566</b>
<b>55037</b>		<b>56066</b>
<b>SCHEDULE "C" SECURED LOANS</b>		
<b>(i) From Banks</b>		
<b>(a) Term Loan</b>		
61573	Term Loan - SBI (Secured by First Charge on assets created out of this Term Loan)	50045
177889	Term Loan - SBI (Secured by First Charge on entire fixed assets excluding vehicles specifically charged to other banks)	158052
25588	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)	67689
31517	Cash Credit - SBI (Hypothecation of all current assets)	35431
1999	Vehicle Loan - HDFC (Secured by hypothecation of Vehicles)	1167
-	Vehicle Loan - Axis Bank (Secured by hypothecation of Vehicles)	793
-	Vehicle Loan - Kotak Mahindra Bank (Secured by hothothecation of Vehicles)	232
775	Vehicle Loan - ICICI (Secured by hypothecation of Vehicles)	284
<b>299343</b>	<b>TOTAL</b>	<b>313693</b>
<b>SCHEDULE "D" UNSECURED LOANS</b>		
11365	SBI Loan (Secured by FDR of Director)	3565
<b>11365</b>		<b>3565</b>



## FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31.03.2010

## SCHEDULE 'E'

In Rs. '000

Description	Gross Block as on 01.04.09	Additions during the year	Deletions during the year	Impairment Loss	Gross Block as on 31.03.10	Depn. upto 31.03.09	Depn for the 12 months 31.03.10	Deletions/ Adjustments	Total Depn. 31.03.10	Net Block as on 31.03.10	Net Block as on 31.03.09
<b>Tangible Assets</b>											
Surgical Equipments	244458	58706	14676	3012	285477	107685	30436	15110	153182	132295	136773
Electrical Fittings	77701	18445	886	2	95258	20533	12344	-138	32672	62587	57168
Computers	13727	3917	386	0	17257	8363	2873	39	11235	6022	5364
Furniture & Fixtures	52051	9423	647	0	60827	14502	7918	64	22413	38414	37549
Vehicles	30045	1407	0	0	31452	13888	4393	0	18282	13170	16157
Leasehold Improvements	0	19139	0	0	19139	0	1246	0	1246	17893	0
<b>Intangible Assets</b>											
Goodwill	17153	3350	0	0	20503	0	2185	0	2185	18317	17153
<b>Total</b>	<b>435134</b>	<b>114386</b>	<b>16594</b>	<b>3014</b>	<b>529913</b>	<b>164970</b>	<b>61396</b>	<b>15075</b>	<b>241215</b>	<b>288697</b>	<b>270164</b>
<b>Previous Year</b>	<b>329783</b>	<b>153259</b>	<b>46027</b>		<b>437016</b>	<b>127915</b>	<b>54757</b>	<b>-15821</b>	<b>166852</b>	<b>270164</b>	<b>201868</b>

**SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2010**

<b>31.03.2009</b> (Rs in '000s)		<b>31.03.2010</b> (Rs in '000s)
	<b>SCHEDULE "F" INVESTMENTS</b>	
	<b>Long Term Investment</b>	
	<b>(a) Investment in Equity</b>	
	Quoted non trade investments of	
319	Polyspin Exports Ltd.31900 Shares of Rs10 each	319
	Market value Rs 15.49/- per share	
<b>319</b>	<b>TOTAL</b>	<b>319</b>
	<b>SCHEDULE "G" -INVENTORIES</b>	
	<b>(Valued at lower of cost or net realisable value)</b>	
20266	Opticals	21657
7052	Pharmacy	8307
11103	IOL	7921
<b>38421</b>		<b>37885</b>
	<b>SCHEDULE "H" -SUNDRY DEBTORS</b>	
	<b>Unsecured</b>	
	<b>Outstanding for a period exceeding 6 months</b>	
6138	Considered good	8330
532	Considered doubtful	-
	Other debts	
34320	Considered good	44742
-	Considered doubtful	-
532	Less: provision for doubtful debts	-
<b>40457</b>	<b>TOTAL</b>	<b>53072</b>
	<b>SCHEDULE "I" CASH &amp; BANK BALANCES</b>	
1417	Cash on hand	2006
	<b>Bank balances</b>	
21034	In Current accounts with Scheduled Banks	14750
2131	In Deposit accounts with Scheduled Banks	1000
1371	In Deposit accounts with others	1478
1159	In Dividend accounts with Scheduled Banks	1059
<b>27112</b>	<b>TOTAL</b>	<b>20293</b>
	<b>SCHEDULE "J" - LOANS &amp; ADVANCES</b>	
	<b>(Unsecured, Considered good for which value to be realised in cash or in kind)</b>	
30784	Advances	17829
117652	Deposits	124384
<b>148436</b>	<b>TOTAL</b>	<b>142213</b>

**SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2010**

<b>31.03.2009</b>		<b>31.03.2010</b>
<b>(Rs in '000s)</b>		<b>(Rs in '000s)</b>
	<b>SCHEDULE "K" - CURRENT LIABILITIES</b>	
	Sundry Creditors:	
697	(a) Micro, Small and Medium Enterprises	265
103284	(b) Others	111035
1159	Unpaid Dividend	1059
<b>105141</b>	<b>TOTAL</b>	<b>112358</b>
	<b>SCHEDULE "L" - PROVISIONS</b>	
-	Proposed Dividend	3600
-	Corporate Dividend Tax	612
5778	Provision for FBT	-
4966	Less : Adjusted as per contra in Adv. Tax	-
812		-
4983	Employee Benefits	4361
130	Provision for Wealth Tax	159
92	Less : Adjusted as per contra in Adv. Tax	126
38		33
<b>5833</b>	<b>TOTAL</b>	<b>8606</b>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

<b>31.03.2009</b> (Rs in '000s)	<b>DESCRIPTION</b>	<b>31.03.2010</b> (Rs in '000s)
<b>SCHEDULE "M" - HOSPITAL INCOME</b>		
491372	Income From Services	579139
55841	Income From Supply of Medicines	78830
180495	Income from Opticals	221747
<b>727707</b>		<b>879716</b>
<b>SCHEDULE "N" - OTHER INCOME</b>		
360	Interest Received (T.D.S. - Rs.20,722)	283
709	Sponsorship	75
22	Dividend Received (tax Free Mutual Fund)	26
441	Miscellaneous Income	278
0	Prior period income	293
0	Rent Received (T.D.S. - Rs.57,990)	360
0	Profit on sale of asset	42
0	Forex Gain	-
0	Fees Received - Phaco Training	1562
0	Fees Received - Knowhow Fee	253
2152	Discount Received	4226
125	Debtors written off Realised	11
0	Sundry creditors written back	377
1481	Excess Provision written back	1447
<b>5290</b>		<b>9232</b>
<b>SCHEDULE "O" - MATERIALS CONSUMED</b>		
23591	Opening Stock	38421
	Add: Materials purchased	
86009	Opticals	101914
49116	Pharmacy	53911
33624	Others	40017
192340		234263
38421	Less: Closing Stock	37885
<b>153919</b>		<b>196378</b>
<b>SCHEDULE "P" - HOSPITAL OPERATIVE EXPENSES</b>		
25568	Clinical Expenses	42589
68906	Consultancy Charges	103940
118	Discount Opticals & Inpatients	127
13569	Electricity Charges	14825
15788	Hospital Maintenance	15556
<b>123950</b>		<b>177037</b>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

<b>31.03.2009</b> (Rs in '000s)	<b>DESCRIPTION</b>	<b>31.03.2010</b> (Rs in '000s)
<b>SCHEDULE "Q" - GENERAL &amp; ADMINISTRATIVE EXPENSES</b>		
11326	Advertisement	139
1028	Audit Fees	1259
3757	Bad Debts	5175
-	Boarding & Lodging	642
98	Books & Periodicals	107
184	Brokerage Expenses	50
4154	Business Promotion Expenses	2919
45	Camp Expenses	62
37	Conference Expenses	1111
12000	Directors Remuneration	7875
1002	Donation Paid	3
<b>Employee Cost:</b>		
164299	- Salaries & Bonus	180294
9605	- Contribution to PF & Other Funds	7995
2549	- Staff Welfare Expenses	2538
448	- Keyman Insurance	448
10787	Entertainment Expenses	10749
-	Foreign Exchange Loss realised	14
22	Hire Charges	-
1389	Inauguration expenses	974
1228	Insurance - others	2967
-	Interest Paid	83
9613	Interior Decoration expenses	878
638	Internet Charges	1084
415	Legal Fees	219
32	Listing Fees	-
-	Marketing Expenses	14014
55	Membership & Subscription Expenses	38
91	Miscellaneous Expenses	373
1428	Office Maintenance	291
1110	Postage Expenses	1335
8002	Printing & Stationery	7432
1374	Prior Period Expenses	5271
209	Professional charges	-
1250	Rates & Taxes	681
70436	Rent	85839

**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

<b>31.03.2009</b> <b>(Rs in '000s)</b>	<b>DESCRIPTION</b>	<b>31.03.2010</b> <b>(Rs in '000s)</b>
	<b>Repairs &amp; Maintenance:</b>	
836	- Building	4321
3156	- Machinery / Equipments	7509
610	- Others	1041
108	Share Transfer Agent Fees	54
50	Sitting Fees	123
238	Software Development Charges	127
1249	Sundry Debtors w/off	2352
627	Water Consumption	1054
	<b>Travelling Expenses - Directors:</b>	
382	- Domestic	409
1241	- Foreign	4928
8764	Travelling Expenses - Others	9399
5421	Telephone Charges	5362
5193	Vehicle Maintenance	6469
<b>346486</b>		<b>386007</b>
	<b>SCHEDULE - "R" OTHER HOSPITAL EXPENSES</b>	
893	Consumables Computers	1985
107	Fees Paid	31
225	Freight Outward	273
154	Gas Consumption	58
388	Insurance	124
3193	Laboratory Expenses	4658
1262	Optical labour charges	633
201	Patient Food Expenses	178
1446	Security Charges	4761
<b>7868</b>		<b>12701</b>
	<b>SCHEDULE "S" - FINANCIAL EXPENSES</b>	
3030	Finance Charges	2514
	Interest:	
31440	- On Term Loans	34411
4648	- On Others	5571
<b>39118</b>		<b>42496</b>

**SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31.03.2010****SCHEDULE – ‘T’****A. SIGNIFICANT ACCOUNTING POLICIES:****● Basis of preparation of financial statements**

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India, under the historical cost convention on the accrual basis. GAAP comprises Mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006, 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 preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported value of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

**● Inventory**

The inventories of all medicines, Medicare items and opticals traded and dealt with by the company are valued at Cost or net realizable value whichever is less.

**● 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.

**● Prior Period Items and Extraordinary Items**

Prior period items and extraordinary items are separately classified, identified and dealt with as required under AS 5 'Net profit or loss for the period, prior period items and changes in accounting policies' issued by the Institute of Chartered Accountants of India.

**● Depreciation and Amortization Charges**

Depreciation on fixed assets has been provided at the rate specified in Schedule XIV of the Companies Act. 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.

Amortization of Goodwill has been charged at 1/10<sup>th</sup> of the total value on a proportionate basis.

- **Revenue Recognition**

Hospital Income is net of discounts – Revenue is recognized as the related services are rendered. Pharmacy sales are stated net of returns, discounts– Revenue is recognized at the time of physical sale. Optical sales are stated net of returns, discounts– Revenue is recognized at the time of physical sale. Interest is recognized on an accrual basis. Dividend income is recognized when the company's right to receive dividend is established.

- **Fixed Assets**

Fixed Assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses recognized where necessary. Additional cost relating to the acquisition and installation of fixed assets are capitalized. Improvements made to Leasehold Buildings are being capitalized.

- **Transaction in Foreign Currencies**

Exchange differences arising on settlement of foreign currency liabilities relating to the acquisition of fixed assets, which is in accordance with AS 11 "Accounting for the effect of changes in Foreign Exchange Rate" issued by the Institute of Chartered Accountants of India, are recognized in the Profit & Loss Account.

- **Investments**

Investments are classified as current or long term in accordance with AS 13 "Accounting for Investments" issued by the Institute of Chartered Accountants of India.

Long term investments are stated at cost to the company. The company provides for diminution in the value of long term investments other than those temporary in nature.

Current investments are valued at lower of cost and fair value.

- **Employee Benefits**

- **Defined Contribution Plan**

The company makes contribution towards Provident Fund and Employee State Insurance as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employee State Insurance is remitted to Employee State Insurance Corporation.



**Defined Benefit Plan**

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains or losses are recognized in full in the Profit and Loss Account for the period in which they occur.

**(a) Gratuity**

The company makes annual contribution to the Employees' Group Gratuity scheme of the Life Insurance Corporation of India, a funded defined benefit plan ("Gratuity Plan") covering eligible employees and recognized as an expense when employees have rendered service entitling them to the contributions. The scheme provides for lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

**(b) Leave Encashment Benefits**

The Company has no Leave Encashment Scheme as a part of retirement benefit scheme.

**Short Term Employee Benefits**

Short term employee benefits are recognized as expenses as per Company's scheme based on expected obligation.

**● Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such asset. As per AS 16 "Borrowing costs" issued by the Institute of Chartered Accountants of India, a "Qualifying asset" is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing cost is expensed as incurred.

**● Segment Reporting**

The company has complied with AS 17 "Segment reporting" issued by the Institute of Chartered Accountants of India, with Business as the primary segment. Revenue and expenses have been identified to segments on the basis of their relationship to the operative activities of the segment. Revenue and expenses which relates to the enterprise as a whole and are not allocable to the segments on a reasonable basis have been included under unallocable expenses. Inter-segment revenue and expenses are eliminated.

**● Related Party Transactions**

The details of related party transactions entered into by the company during the year ended 31<sup>st</sup> March 2010 is given in notes of accounts (Note: 15)

- **Earnings Per Share**

In determining earnings per share, the company considers the net profit after tax before extraordinary items. 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.

- **Taxation**

1. **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.

2. **Deferred Tax**

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 reversed 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.

- **Intangible Assets**

Intangible assets are initially recognized at cost and amortized as per AS 26 "Intangible assets" issued by the Institute of Chartered Accountants of India.

- **Impairment**

The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on external and internal factors. An asset is treated as impaired based on the cash generating concept at the year end, when the carrying cost of the asset exceeds its recoverable value, in terms of para 5 to para 13 of AS-28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India, for the purpose of arriving at impairment loss thereon, if any.

An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

- **Bad Debts Policy**

The Board of Directors approves the bad debt policy, on the recommendation of the Audit Committee, after the review of Debtors every year.

- **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the company exists as at the balance sheet date. Contingent assets are neither disclosed nor recognized in the financial statements.

**B. NOTES ON ACCOUNTS:**

1. Previous year figures have been regrouped wherever necessary.
2. Expenditure incurred in foreign currency towards foreign travel, subscription for magazines, membership fees, repairs & maintenance, consumables and advertisement during the year amounts to Rs.25,71,653/- (P.Y. Rs.34,45,200/-).
3. The CIF value of Machineries imported during the year is Rs.1,34,22,286 /- (P.Y. Rs.1,16,54,691/-).

4. Total number of Managing and Whole-time Directors is Three.

Remuneration drawn Rs. 78,75,000/- (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. Payment to Auditors (Including Service Tax):

Audit Fees	Rs. 6,61,800/-
Taxation Matters	Rs. 27,575/-
Other Services (Incl. Certification fees)	Rs. 5,33,578/-
Expenses	Rs. 35,788/-

6. Quantitative particulars of Medicines and Opticals for the year ended 31.03.2010 are given below.

Particulars	Quantity		Value (Rs.)	
	Opticals (Frames)	Pharmacy (Bottles)	Opticals	Pharmacy
Opening Stock	16933	286969	2,02,66,247	70,51,824
Purchases	167865	4552836	10,19,14,392	5,39,10,790
Sales	140318	4515137	22,17,46,885	7,88,30,229
Closing Stock	44480	324668	2,16,56,279	45,19,130

7. The information required to be disclosed under the Micro, Small and Medium enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There has been no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.
8. 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.
9. Impairment of Assets  
During the year on a review as required by AS 28, the amount of Impairment loss charged to Profit & Loss A/c is Rs.30,13,536/-
10. Intangible Assets  
As per AS 26, 1/10<sup>th</sup> of Goodwill amounting to Rs.21,85,412/- has been amortized during the year.
11. Due to change in accounting policy, the improvements made to Leasehold Buildings during the year amounting to Rs.1,91,39,316/- has been capitalized. Till last year, such expenses were charged to Profit & Loss A/c as Interior Decoration Expenses.
12. Claims against the company not acknowledged as debt is Rs. Nil.

13. Segment reporting made in accordance with Accounting Standard AS 17 with business as the primary segment

Rs. in Lakhs

Sl. No.	Particulars	Year to date figures for the current period ended 31/03/2010 Audited	Year to date figures for the previous period ended 31/03/2009 Audited
<b>I</b>	<b>SEGMENT-REVENUE</b>		
	Medical Services	6579.70	5472.11
	Trading Activities	2217.47	1804.95
	Total Income	8797.17	7277.06
	Others (Unallocable) - Net	92.20	52.91
	Income from Operations	8889.37	7329.96
<b>II</b>	<b>SEGMENT-RESULTS</b>		
	Medical Services	318.36	198.25
	Trading Activities	179.37	223.06
	Profit before Interest and Tax	497.73	421.31
	Less: Interest	398.51	360.88
	Profit Before Tax	99.22	60.43
<b>III</b>	<b>CAPITAL EMPLOYED:</b>		

Note: Assets used in the Company's business are not specifically identified with any of the segments as bulks of the assets are used for deriving Hospital Income.

## 14. Related Party Transactions:

Nature of Related Party	Nature of Relationship	Nature of Transaction	Transaction ValueRs.	Outstanding amounts carried in the Balance sheet Rs.
Orbit International	Partnership of Relatives of Key Management Personnel	Payment of Rent License Fee Deposit	88,15,761/- 23,11,200/-	7,06,350 (Cr) 4,25,00,000 (Dr)
Dr. Agarwal's Eye Institute	Partnership of Relatives of Key Management Personnel	Payment of Rent Rent Advance	3,63,81,023/- 24,97,000/-	8,32,484 (Dr) 4,17,37,000 (Dr)
Dr. J. Agarwal	Whole time Director	Director's Remuneration	18,75,000/-	-
Dr. Amar Agarwal	Chairman cum Managing Director	Director's Remuneration	30,00,000/-	-
Dr. Athiya Agarwal	Whole time Director	Director's Remuneration	30,00,000/-	-
Senses Pharmaceuticals Ltd	Common Directors	Purchase of Medicines Rent Received	80,74,091/- 3,60,000/-	60,000 (Dr)
Dr. Agarwal's Pharma Ltd.	Common Directors	Purchase of Medicines	45,71,410/-	70,270 (Cr)
Dr. Agarwal's Optical Ltd	Common Directors	Sale of Opticals	9,78,909/-	9,78,909 (Dr)
Diana World Travel (P) Ltd	Common Directors	Purchase of Tickets	14,55,332/-	-

## 15. Earnings per share (EPS) computed in accordance with Accounting Standard AS 20

PARTICULARS	31.03.2010	31.03.2009
Profit after tax (Rs.)	5241472	2023203
Number of shares issued	4500000	4500000
The nominal value per equity share (Rs.)	10	10
Basic / Diluted EPS (Rs.)	1.16	0.45

**BALANCE SHEET ABSTRACT**  
**COMPANY'S GENERAL BUSINESS PROFILE**  
**AS AT 31<sup>ST</sup> MARCH 2010**

**Registration Details**

Registration No.	27366	State Code	18
Balance Sheet Date	31.03.2010		

**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	421515	Total Assets	421515
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**Source of Funds**

Paid up capital	45000	Reserve & Surplus	56066
Secured Loans	313692	Deferred tax Liability	3191
Unsecured Loans	3565		

**Application of Funds**

Net Fixed Assets	288697	Investment	319
Net Current Assets	132499	Miscellaneous Exp.	NIL
Accumulated Losses	NIL		

**Performance of the Company**

Turnover	888948	Total Expenditure	879028
Profit/(Loss) before tax	9921	Profit/(Loss) after tax	5241
Earnings per share in Rs.	1.16	Dividend rate	8%

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

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

Dr. Amar Agarwal  
Chairman & Managing Director

Dr. Athiya Agarwal  
Director

Chennai  
28th April 2010

# Dr. Agarwal's Eye Hospital Limited

## 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 :

**TEARHERE**

## PROXY FORM

I/We.....  
Of..... being a member/members of DRAGARWAL'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 24<sup>th</sup> August 2010 at 11.00 AM or at any adjournment thereof.

Affix Re. 1  
Revenue  
Stamp

Signed this ..... day of ..... 2010

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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