

Dr. Agarwal's Eye Hospital Limited

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



**Fifteenth Annual Report
2008 – 2009**

15th Annual Report

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

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting of the shareholders of the company will be held on 25th August 2009 at 11.00 a.m. at 19 (Old No.13), Cathedral Road, Chennai 600 086 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2009, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in the place of Dr. Jasvinder Sing Saroya who retires by rotation.
3. To appoint a director in the place of Mr Prabhat Toshnival who retires by rotation.
4. To appoint a director in the place of Dr. Ashvin Agarwal who retires by rotation.
5. 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:

6. As an **ORDINARY RESOLUTION**:
"RESOLVED THAT Mr. Sanjay Anand be and is hereby appointed as a Director of the company liable to retire by rotation."
7. As an **ORDINARY RESOLUTION**:
"RESOLVED THAT Dr. Anosh Agarwal be and is hereby appointed as a Director of the company liable to retire by rotation."
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. Amar Agarwal as Managing Director of the company till 30/09/2010 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. Amar Agarwal
Managing Director

Place : Chennai
Date : 19.05.2009

NOTES:-

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
2. A MEMBER OF THE COMPANY, WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
3. Instrument of Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 (Forty Eight) hours before the time fixed for holding the Annual General Meeting. A Form of Proxy is enclosed.
4. The Register of members and the share transfer books of the company will remain closed from 22nd August 2009 to 25th August 2009. (both days inclusive)
5. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
6. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.

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

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

Name of Director	Expertise in Specific Functional Areas	Qualifications	Director-Ship in Other Public Companies	Chairman/ Member of Committee
Dr. Jasvinder Sing Saroya	Ophthalmology	M.B.B.S, D.O, D.N.B.,M.N.A.M.S, F.C.L.I	NIL	NIL
Mr. Prabhat Toshnival	Business	B.Sc.	NIL	Member, Audit Committee.
Dr. Ashvin Agarwal	Ophthalmology	M B B S	NIL	NIL
Mr. Sanjay Anand	Business	B.Com.,ACA	NIL	Member, Audit Committee.
Dr. Anosh Agarwal	Ophthalmology	M B B S	NIL	NIL

By Order of the Board
Sd/-

Dr. Amar Agarwal
Managing Director

Place: Chennai
Date : 19.05.2009

**ANNEXURE TO NOTICE
EXPLANATORY STATEMENT**

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

Item No.6

The board inducted Mr. Sanjay Anand in the board on 27/01/2009 as an additional director. Notice has been received from a member along with necessary deposits as required by section 257 of the Companies Act, 1956, proposing as a candidate for the office of Director/s. Accordingly, the Resolution under Item No.6 of the Notice is submitted for the approval of the Shareholders.

None of the Directors of the Company, except Mr. Sanjay Anand, is concerned or interested in the resolution.

Item No.7

The board inducted Dr. Anosh Agarwal the board on 19/05/2009 as an additional director. Notice has been received from a member along with necessary deposits as required by section 257 of the Companies Act, 1956, proposing as a candidate for the office of Director/s. Accordingly, the Resolution under Item No.7 of the Notice is submitted for the approval of the Shareholders.

Except Dr.Amar Agarwal, Dr J.Agarwal, Dr. Athiya Agarwal, Dr. Ashvin Agarwal, Dr Adil Agarwal and Dr. Anosh Agarwal being, none of the other Directors are concerned or interested in the said resolution

Item No 8

On the recommendation of Remuneration Committee of the company and ,the Board at its meeting held on 19th May,2009 appointed Dr..Amar Agarwal as Managing Director as per the details mentioned in the resolution set out at item no.8 of the Notice.

Except Dr.Amar Agarwal himself and Dr. J.Agarwal, Dr. Athiya Agarwal, Dr. Ashvin Agarwal, Dr.Adil Agarwal and Dr. Anosh Agarwal being related to Dr. Amar Agarwal, none of the Directors are concerned or interested in the remuneration payable to Dr. Amar Agarwal.

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 th July, 1994
3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in prospectus.	Not Applicable
4. Financial Performance	Rs. in Lakhs
	Sales 7329.97
	Profit after Tax 20.23
	Paid-up Share Capital 450.00
	Reserves & Surplus 550.37
	Long term loans 2650.10
	Total 3650.47
	Less: Investments 3.19
	Preliminary Expenses (To Nil
	The extent not written off)
	Effective Capital as on 31-03-09 3647.28
5 Export performance and net Foreign Exchange Collaborations, if any	NIL
6. Foreign investments or Collaborations, if any	NIL

II. INFORMATION ABOUT APPOINTEE:

Dr. Amar.Agarwal	
1. Background details	Dr. Amar Agarwal, 47 years, has been the Director of the company since its inception. He is MS, F R C S, F R C. Ophth.(London) He has over 15 years experience in Eye Care Industry .
2. Past Remuneration	Rs.150000/- per month (cost to the Company).
3. Recognition or awards	Kelman Award by Hellenic Society of Greece in 2005, Barraquer Award by the Keretomileusis Study Group in 2002, American Academy Achievement Award for the year 2006 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.
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.2,50,000/- 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. J Agarwal, Dr. Athiya Agarwal, Dr. Ashvin Agarwal, Dr. Adil Agarwal and Dr. Anosh Agarwal

Place: Chennai
Date : 19.05.2009

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

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the FIFTEENTH ANNUAL REPORT and that of the Auditors together with the audited Balance Sheet as at 31st March 2009 and the Profit and Loss account for the year ended on that date.

PERFORMANCE

The financial results for the year ended 31st March 2009 are as under:

	31.03.2008	Rs. (In Lacs) 31.03.2009
Income	4139.79	7329.97
Profits before depreciation and interest	525.63	968.88
Depreciation	330.36	547.57
Interest	139.20	360.88
Profit before Tax	56.07	60.43
Provision for taxation	40.63	40.20
Profit After Tax	15.44	20.23

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.73.30 crores as compared to the turnover of Rs.41.39 crores, which is 77% growth over the previous year level. The profit before tax was Rs.60.43 lacs as compared to Rs.56.07 lacs in the previous year. The reduction in profit was mainly due to higher depreciation and set up cost incurred for 4 new hospitals started during the year in various parts of Chennai city and Tamilnadu. The board of directors has planned to consolidate the performance of existing and new hospitals for the current year.

FIXED DEPOSIT:

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

DIVIDEND

Your Directors do not recommend any Dividend for the year ended 31st March 2009, in order to conserve the liquid funds of the Company due to credit crunch and global recession.

DIRECTORS

Dr. Jasvinder Singh Saroya, Mr. Prabhat Toshnival and Dr. Ashvin Agarwal retire by rotation and being eligible, offer for re-appointment.

Consequent to the demise of Dr.(Mrs) T.Agarwal, Founder and Managing Director on 13.04.2009 the Board in its meeting held on 19.05.2009, appointed Dr.Amar Agarwal, Joint Managing Director as Managing Director of the Company subject to approval of the shareholders.

Dr.(Ms).Akhther Begum resigned as Director with effect from 27.01.2009. The Board inducted Mr. Sanjay Anand in the board on 27.01.2009 and Dr. Anosh Agarwal on 19.05.2009 as additional directors. Notices have been received from a member along with a deposit/s of rupees of five hundred as required by section 257 of the Companies Act, 1956, proposing them a candidate for the office of Directors.

INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to section 205C of the Companies Act, 1956, your company has transferred a sum of Rs.65731/- being unclaimed interim dividend for the year 2001-02.

AUDITORS

The auditors of the Company M/s.M.K.Dandekar & 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 Secretary 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. 6.82 Lacs
Foreign Outgo	:	Rs.151.00 Lacs

DIRECTORS' RESPONSIBILITY STATEMENT:

Directors hereby declare:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period ;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities subject to the inherent limitations that should be recognized in weighing the assurance ;
- iv) That the directors had prepared the annual accounts on a going concern basis.

EMPLOYEE RELATIONS:

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

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2009 duly certified by the auditors of the company is annexed (Annexure – A)

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board
Sd/-

Place: Chennai
Date : 19.05.2009

Dr. J. Agarwal
Chairman

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 concern. Today the company is catering to various corners of Chennai city and parts of Tamilnadu along with operations at Jaipur and Chittoor.

II. Performance Review

The Company has started 4 more new hospitals started during the year in various parts of Chennai city and Tamilnadu.

The company had achieved a turnover of Rs.73.30crores as compared to Rs.41.39 crores in last year and made a profit of Rs.20.23 lacs as compared to Rs.15.44 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 12 comprising of 3 executive director and 9 non-executive directors, of which 6 are independent.

II. Board Meetings & Attendance of Directors

During the year 2008-09, 5 (Five) Board Meetings were held at # 19, Cathedral Road, Chennai-600 086 on the following dates:

19/05/2008, 29/07/2008, 30/08/2008, 21/10/2008 and 27/01/2009

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	Chairman-cum-Whole Time Director	Executive & Non-independent (Promoter)	5	YES	1	NIL
2. Dr. T. Agarwal (upto 13.04.09)	Managing Director	Executive & Non-independent (Promoter)	NIL	YES	1	NIL
3. Dr. Amar Agarwal (with effect from 19.05.2009)	Managing Director	Executive & Non-independent (Promoter)	5	YES	3	NIL
4. Dr. Athiya Agarwal	Whole Time Director	Executive & Non-independent (Promoter)	5	YES	3	NIL
5. Dr. Jasvinder Singh Saroya	Director	Non Executive Independent	NIL	NO	NIL	NIL
6. Dr. Sasikanth R. R.	Director	Non Executive Independent	4	NO	1	NIL
7. Dr. (Ms.) Akhther Begum (upto 27.01.09)	Director	Non Executive Independent	4	NO	NIL	NIL
8. Mr. M. R. G. Apparao	Director	Non Executive Independent	4	YES	NIL	NIL
9. Dr. Adil Agarwal	Director	Non Executive & Non-Independent (Promoter)	5	YES	NIL	NIL

10. Mr. Prabhat Toshniwal	Director	Non Executive Independent	NIL	NO	NIL	NIL
11. Dr Ashvin Agarwal	Director	Non Executive & Non Independent (Promoter)	NIL	NO	NIL	NIL
12. Dr Dipan Desai	Director	Non Executive Independent	NIL	NO	NIL	NIL
13. Mr. Sanjay Anand (with effect from 27.01.09)	Director	Non Executive Independent	NIL	NO	NIL	NIL
14. Dr. Anosh Agarwal (w.e.f.19.05.09)	Director	Non Executive & Non Independent (Promoter)	NIL	NO	NIL	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 4 non-executive directors Mr. M R G Appa Rao, Dr. Saishanth, Dr.(Ms) Akthar Begum(up to 27.01.09) Mr.Sanjay Anand (from 19.05.09) 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. - Chairman
2. Mr. M. R. G. Apparao - Member
3. Dr.(Ms) Akthar Begum (upto 27.01.09) - Member
4. Mr. Sanjay Anand (from 19.05.09) - 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 2008-09, no meeting of the Remuneration Committee was held.

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 31-03-2009 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.(Ms) Akthar Begum (upto 27.01.09) - Member
3. Dr. Sasikanth R. R. - Member
4. Mr. Sanjay Anand (from 19.05.09) - Member

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

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

Pending share Transfers:

There are no pending share transfers. As required by the regulations of SEBI, the issued and listed capital of the Company is reconciled with the aggregate of the number of shares held by Investors in physical mode and in the demat mode. A certificate is being obtained on a quarterly basis to this effect from a Practicing Company Secretary and submitted to the Stock Exchanges where the Company's Shares are listed. As on 31st March 2009, 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
2004-05	Registered Office	29-08-2006	10.30 A.M	NIL
2006-07	Registered Office	18-09-2007	10.30 A.M	NIL
2007-08	Registered Office	12-08-2008	11.00 A.M	Three*

· 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 2008-09 (Rs.)	Performance Incentive	Stock Options
1. Dr. J. Agarwal	Chairman-cum-Whole Time Director	3000000	NIL	NIL
2. Dr. T. Agarwal	Managing Director	3000000	NIL	NIL
3. Dr. Amar Agarwal	Joint Managing Director	3000000	NIL	NIL
4. Dr. Athiya Agarwal	Whole Time Director	3000000	NIL	NIL
5. Dr. Jasvinder Singh Saroya	Director	NIL	NIL	NIL
6. Dr. Sasikanth R. R.	Director	20000	NIL	NIL
7. Dr. (Ms.) Akhther Begum	Director	NIL	NIL	NIL
8. Mr. M. R. G. Apparao	Director	20000	NIL	NIL
9. Dr. Adil Agarwal	Director	10000	NIL	NIL
10. Mr. Prabhat Toshniwal	Director	NIL	NIL	NIL
11. Dr. Dipan Desai	Director	NIL	NIL	NIL
12. Dr. Asvin Agarwal	Director	10000	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 19th May, 2009.

9. COMMUNICATION APPROACH

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

10. GENERAL SHAREHOLDER INFORMATION**I. 15th Annual General Meeting**

The 15th annual general meeting will be held on 25th August, 2009 at 19, Cathedral Road, Chennai - 600 086.

II. Tentative Financial Reporting Calendar

Financial Reporting 2009	From	To	Date
1 st Quarter	April	June	31 st July
2 nd Quarter	July	September	31 st October
3 rd Quarter	October	December	31 st January
4 th Quarter	January	March	30 th April Unaudited / Audited on or before 30-06-2010
Annual General Meeting	April 2009	March 2010	On or before September 2010

III. Book Closure

The date of closure is from 22-08-2009 to 25-08-2009.

IV. Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid upto on	ISIN No.
Bombay Stock Exchange	526783	31-03-2010	INE934C01018
Madras Stock Exchange Ltd.	118995	31-03-2009	Under delisting Process

V. Market price data

High and low prices of Equity shares in the financial year 2008-09 were as follows :

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April 2008	67.95	41.50
May 2008	64.95	48.70
June 2008	54.90	41.05
July 2008	57.75	35.95
August 2008	54.95	41.05
September 2008	52.95	33.65
October 2008	43.75	19.50
November 2008	30.80	20.25
December 2008	29.85	21.50
January 2009	34.80	24.00
February 2009	31.40	25.90
March 2009	31.95	25.30

VI. Share Transfer System

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

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

The Company has established connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai. The transfers are approved by the Share Transfer Committee. Share Transfers are registered and despatched within a period of 30 days from the date of receipt if the documents are correct and valid in all respects. As on 31-03-2009 there were no valid requests pending for transfer of shares.

VII. Distribution of shareholding

As on 31st March, 2009

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	470264	10.45
- Indian Public	1283336	28.52
- NRIs / OCBs	113859	2.53
- Other than specified above Clearing Members	17567	0.39
Total	4500000	100
Paid-up Shares	4500000	100

DISTRIBUTION SCHEDULE AS ON 31/03/2009

Sl. No.	Category of Shares	Holders		Shares	
		Nos.	%	Nos.	%
1	1 - 500	2474	85.369	367253	8.161
2	501 - 1000	197	6.798	163858	3.641
3	1001 - 2000	93	3.209	144173	3.204
4	2001 - 3000	50	1.725	124837	2.774
5	3001 - 4000	15	0.518	53061	1.179
6	4001 - 5000	13	0.449	60025	1.334
7	5001 - 100000	18	0.621	130787	2.906
8	100001 and above	38	1.311	3456006	76.800
	TOTAL	2847	100.00	4500000	100.000

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, 3426406 being 76.14% shares have already been dematerialized.

For and on behalf of the Board

Place : Chennai
Date : 19.05.2009

Sd/-
Dr. J. Agarwal
Chairman

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

I, Dr.Amar Agarwal, 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

Place : Chennai
Date : 19.05.2009

**Sd/-
DR.AMARAGARWAL
MANAGING DIRECTOR**

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

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

1. We have examined the compliance of the conditions of Corporate Governance by Dr. Agarwal's Eye Hospital Ltd, for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange in India.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.
4. We further state that such Compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

for M. K. DANDEKER & CO.,

Sd/-

K. J. Dandeker

Partner

CHARTERED ACCOUNTANTS

Membership No 18533

Place:Chennai

Date : 19.05.2009

**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 31/03/2009 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.J. Agarwal

Sd/-
Dr.Amar Agarwal

Place: Chennai
Date:19.05.2009

**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 2009 and also the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

- vi. **Attention is drawn to Note No.8 regarding change in the rate of depreciation on certain assets for the year resulting in increase in the profits for the year, the reserves and the value of fixed assets.**
- vii. 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, 2009; and
 - b) in the case of the Profit and Loss Account, of the profit for the period ended on that date.
 - c) in case of the Cash Flow Statement, of the cash flows for the period ended on that date.

for M. K. DANDEKER & CO.,

Sd/-

K. J. Dandeker

Partner

CHARTERED ACCOUNTANTS

Membership No 18533

Place:Chennai

Date : 19.05.2009

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. The Management has to decide on a verification process to improve internal control.
c) No substantial part of Fixed Assets has been disposed off during the year.
2. a) The physical verification of inventory has been conducted at reasonable intervals by the management.
b) The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) The Company is maintaining proper records of inventory and any discrepancies noticed on physical verification are being properly dealt in the books of accounts.
3. The Company has given interest free Rental deposits of Rs.3,92,40,000/- and Rs.3,93,88,800/- to two firms in which certain directors are partners.
4. In our opinion and according to the information and explanations given to us, the internal control procedures with regard to inventory and fixed assets and for sale of goods are commensurate with the Company and the nature of the business.
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 being strengthened to be commensurate with the size of the company and nature of its business.
8. The Company is not required to maintain the cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act.
9. a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income tax, Sales Tax, Wealth Tax, Customs Duty, Excise duty, Cess and other statutory dues.

- b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess, were in arrears as on 31.03.2009 for a period of more than six months from the date they became payable.
- c) There are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has not incurred cash loss during the current financial year and the previous financial year and there are no accumulated losses as on the balance sheet date.
11. The company has not defaulted in repayment of dues to a financial institution or bank.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from bank or financial institutions.
14. The term loans were applied for the purpose for which the loans were obtained.
15. The funds raised by the Company on short-term basis have not been used for long-term investment and vice versa.
16. The Company has not made Preferential Allotment of shares to parties and companies covered in the register maintained U/s.301 of the Act during the year.
17. Based on our examination and the information provided to us by the company, no fraud on or by the Company has been noticed or reported during the year.
18. The following clauses were not applicable to the company for the year.
- a) Paragraph 4 (xii) of the order relating to maintenance of documents and records in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- b) Paragraph 4(xiii) of the order relating to special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies;
- c) Paragraph 4(xiv) of the order relating to companies dealing or trading in shares, securities, debentures or other investments;
- d) Paragraph 4(xx) of the order relating to public issue during the year.

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

K. J. Dandeker
Partner

CHARTERED ACCOUNTANTS
Membership No 18533

Place:Chennai
Date : 19.05.2009

BALANCE SHEET AS AT 31.03.2009

31.03.2008 (Rs in 000's)	DESCRIPTION	SCH	31.03.2009 (Rs in 000's)
	I SOURCES OF FUNDS		
	(i) Shareholders Funds		
45000	(a) Share Capital	A	45000
51826	(b) Reserves & Surplus	B	55037
218953	(ii) Secured loans	C	299343
0	(iii) Unsecured loans	D	11365
3191	(iii) Deferred Tax Liability(Net)		3191
318970	TOTAL		413936
	II APPLICATION OF FUNDS		
	(i) Fixed Assets		
330233	Gross Block		437016
128364	Less: Accumulated Depreciation		166852
201868	Net Block	E	270164
319	(ii) Investments	F	319
	(iii) Current Assets, Loans and Advances		
23591	(a) Inventories		38421
22609	(b) Sundry Debtors	G	40457
12004	(c) Cash and Bank Balance	H	27112
129741	(d) Loans & Advances	I	148436
187945		'x'	254426
	Less: Current Liabilities & Provisions		
62300	(a) Current Liabilities	J	105141
9718	(b) Provisions	K	5833
72018		'y'	110974
115927	Net Current Assets	'x'-'y'	143452
856	(iv) Miscellaneous Expenditure (To the extent not written off or adjusted)	L	-
318970	TOTAL		413936

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

Sd/-
A.A.Shiraz
Company Secretary

Sd/-
Dr.J.Agarwal
Chairman

Sd/-
Dr. Amar Agarwal
Managing Director

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

K.J.Dandeker
Partner

Chennai
19th May 2009

Chartered Accountants
Membership No 18533

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

31.03.2008 (Rs in '000s)	INCOME	Sch	31.03.2009 (Rs in '000s)
401800	Hospital Income	M	727707
12179	Other Income	N	5290
413979			732997
	EXPENDITURE		
235429	Hospital Operative Expenses	O	462639
122467	Administrative Expenses	P	169584
16559	Financial Expenses	Q	39118
33036	Depreciation		54757
407491			726098
6488	Excess of Income over Expenditure		6899
880	Misc. Expenditure Written Off or Amortised		856
5607	NET PROFIT BEFORE TAX		6043
	Less: Tax expenses		
2600	Current Tax		1600
1448	Fringe Benefit Tax		2385
15	Wealth Tax		35
1544	NET PROFIT FOR THE YEAR		2023
	ADD :		
12679	Opening Balance B/F		5826
0	Excess Tax Provision of earlier years written back		1188
14223			9037
	LESS : APPROPRIATIONS		
6750	Proposed Dividend 2007-08		-
1147	Corporate Dividend Tax 2007-08		-
500	Amount transferred to General Reserve		-
5826	SURPLUS CARRIED TO BALANCE SHEET		9037
	Basic and Diluted Earnings per share of Rs. 10/- each		
0.34	- Basic EPS		0.45
0.34	- Diluted EPS		0.45

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

Sd/-	Sd/-	Sd/-	As per our Report Annexed
A.A.Shiraz	Dr.J.Agarwal	Dr. Amar Agarwal	For M.K.Dandeker & Co.,
<i>Company Secretary</i>	<i>Chairman</i>	<i>Managing Director</i>	Sd/-
			K.J.Dandeker
			<i>Partner</i>
Chennai			Chartered Accountants
19th May 2009			Membership No 18533

CASH FLOW STATEMENT FOR 2008-2009

A CASH FLOW FROM OPERATING ACTIVITIES	YE	YE
	31.03.09	31.03.08
Description	Rs in 000s	Rs in 000s
Net Profit before tax and extraordinary items	6043	5607
Adjustments for :		
Depreciation	54757	33036
Misc expenses written off or amortised	856	880
Interest expenses	36088	12051
Forex Gain	-	(320)
Interest / Dividend	(239)	(2876)
	91462	42771
Operating Profit before Working Capital Charges	97504	48379
Adjustments of Working Capital Charges		
Increase in Trade Payables	42841	803
Decrease in provisions	(5109)	158
Increase in Trade Receivables	(17850)	(10407)
Increase in Other Receivables	(18,195)	(82495)
Increase in Inventories	(14830)	(19255)
	(13143)	(111197)
Net Changes in Working Capital Cash generated	84362	(62818)
Direct Taxes	2107	8592
Cash flow before extraordinary items	82255	(71410)
<i>Net Cash from Operating Activities - A</i>	82255	(71410)
B CASH FLOW FROM INVESTING ACTIVITIES		
Description	Rs in 000s	Rs in 000s
Purchase of Fixed Assets (net)	(123053)	(142215)
Dividend Received	22	996
Interest Received	217	1880
Sale proceeds of investments	-	32700
<i>Net Cash used in Investing Activities - B</i>	(122813)	(106639)

C CASH FLOW FROM FINANCING ACTIVITIES

Description	YE	YE
	31.03.09	31.03.08
	Rs in 000s	Rs in 000s
Dividends & Dividend Tax	-	(7897)
Proceeds from Secured Loans	109878	191567
Proceeds from Unsecured Loans	11365	-
Interest paid	(36088)	(12051)
Repayment of Secured Loans	(29489)	(22076)
Proceeds from Issue of Equity Shares	-	-
Net Cash inflow from Financing Activities - C	55666	149543
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	15108	(28506)
CASH AND CASH EQUIVALENT AS AT 31-03-2008	12004	40511
CASH AND CASH EQUIVALENT AS AT 31-03-2009	27112	12004
INCREASE IN CASH AND CASH EQUIVALENTS	15108	(28506)

Sd/-
A.A.Shiraz
Company Secretary

Sd/-
Dr.J.Agarwal
Chairman

Sd/-
Dr. Amar Agarwal
Managing Director

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

K.J.Dandeker
Partner

Chartered Accountants
Membership No 18533

Chennai
19th May 2009

SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2009

31.03.2008 (Rs in '000s)		31.03.2009 (Rs in '000s)
	SCHEDULE "A" SHARE CAPITAL	
	AUTHORISED	
50000	20,00,000 Equity Shares of Rs. 10/- each	200000
50000	TOTAL	200000
	Issued, Subscribed and paid up	
45000	45,00,000 Equity Shares of Rs.10/- each	45000
45000		45000
	SCHEDULE "B" RESERVES & SURPLUS	
4400	General Reserve (As per last Balance Sheet)	4900
500	Add: Set Aside this year	-
4900	TOTAL	4900
41100	Share Premium	41100
	Profit & Loss Account	
5826	Balance as per Profit & Loss account	9037
51826		55037
	SCHEDULE "C" SECURED LOANS	
	(i) From Banks	
	(a) Term Loan	
448	Term Loan - UTI (Secured by First Charge on assets created out of this Term Loan)	-
74021	Term Loan - SBI (Secured by First Charge on assets created out of this Term Loan)	61573
126635	Term Loan - SBI (Secured by First Charge on entire fixed assets excluding vehicles specifically charged to other banks)	177889
0	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)	25588
14924	Cash Credit - SBI (Hypothecation of all current assets)	31517
745	Equipment Loan - ICICI(Secured by Surgical Equipments - CK Vision)	-
0	Vehicle Loan - HDFC (Secured by hypothecation of Vehicles)	1999
2180	Vehicle Loan - ICICI (Secured by hypothecation of Vehicles)	775
218953	TOTAL	299343
	SCHEDULE "D" UNSECURED LOANS	
0	SBI Loan (Secured by FDR of Director)	11365
0		11365

FIXED ASSETS SCHEDULE FOR THE YEAR ENDED 31.03.2009

SCHEDULE 'E'

Description	Gross Block as on 01.04.08	Additions during the year	Deletions during the year	Gross Block as on 31.03.09	Depn. Upto 01.04.08	Depn for the 12 months 31/03/09	Adjustments/ Deletions during the year	Total Depreciation 31.03.09	Net Block as on 31.03.09	Net Block as on 31.03.08
Tangible Assets										
Surgical Equipments	189,148,104	100,174,740	44,864,779	244,458,065	96,120,018	26,625,540	-15,060,760	107,684,798	136,773,267	93,028,086
Electrical Fittings	56,228,488	21,648,502	141,839	77,735,151	9,760,834	10,773,617	-	20,534,452	57,200,699	46,467,653
Computers	10,774,235	3,039,793	87,435	13,726,593	5,358,344	3,010,780	-8,410	8,360,714	5,365,879	5,415,891
Furniture & Fixtures	39,771,361	12,245,181	-	52,016,542	7,194,917	7,306,617	-	14,501,534	37,515,008	32,576,444
Vehicles	25,326,999	5,651,172	932,831	30,045,340	9,480,976	5,159,099	-7,51,583	13,888,492	16,156,848	15,846,023
Intangible Assets										
Goodwill	8,534,203	10,500,000	-	19,034,203	-	1,881,669	-	1,881,669	17,152,534	8,534,203
Total	329,783,391	153,259,388	46,026,884	437,015,894	127,915,090	54,757,322	-15,820,753	166,851,659	270,164,236	201,868,301
Previous Year	164,270,798	167,073,376	1,111,617	330,232,557	95,327,913	33,036,347	-	128,364,261	201,868,301	68,942,884

SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2009

31.03.2008 (Rs in '000s)		31.03.2009 (Rs in '000s)
SCHEDULE "F" INVESTMENTS		
Long Term Investment		
(a) Investment in Equity		
	Quoted non trade investments of	
319	Polyspin Exports Ltd.31900 Shares of Rs10 each	319
	Market value Rs 11.12/- per share	
319		319
SCHEDULE "G" - SUNDRY DEBTORS		
Unsecured		
Outstanding for a period exceeding 6 months		
2241	Considered good	6138
0	Considered doubtful	532
	Other debts	
20367	Considered good	34320
0	Considered doubtful	-
0	Less: provision for doubtful debts	532
22609	TOTAL	40457
SCHEDULE "H" CASH & BANK BALANCES		
1253	Cash on hand	1417
Bank balances		
4479	In Current accounts with Scheduled Banks	21034
5231	In Deposit accounts with Scheduled Banks	3502
1041	In Dividend accounts with Scheduled Banks	1159
12004	TOTAL	27112
SCHEDULE "I" - LOANS & ADVANCES		
(Unsecured, Considered good for which value to be realised in cash or in kind)		
64538	Advances	30784
65202	Deposits	117652
129741	TOTAL	148436

SCHEDULES TO BALANCE SHEET FOR THE YEAR ENDED 31.03.2009

31.03.2008 (Rs in '000s)		31.03.2009 (Rs in '000s)
	SCHEDULE "J" - CURRENT LIABILITIES	
19730	Sundry Creditors for Expenses	28668
	Sundry Creditors for others	
0	(a) Micro, Small and Medium Enterprises	697
41526	(b) Others	74616
1044	Unpaid Dividend	1159
62300	TOTAL	105141
	SCHEDULE "K" - PROVISIONS	
6750	Proposed Dividend	-
1147	Corporate Dividend Tax	-
3198	Provision for FBT	5778
3040	Less : Adjusted as per contra in Adv.Tax	4966
158		812
1614	Employee Benefits	4983
95	Provision for Wealth Tax	130
45	Less : Adjusted as per contra in Adv.Tax	92
50		38
9718	TOTAL	5833
	SCHEDULE "L" - MISCELLANEOUS EXPENDITURE	
1736	Renovation Expenses	856
880	LESS : Written Off during the Year	856
856	NET TOTAL	0

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

31.03.2008 (Rs in '000s)	DESCRIPTION	31.03.2009 (Rs in '000s)
SCHEDULE "M" - HOSPITAL INCOME		
283170	Income From Services	491372
26694	Income From Supply of Medicines	55841
91936	Income from Opticals	180495
401800		727707
SCHEDULE "N" - OTHER INCOME		
1281	Interest Received (T.D.S. - Rs.38,004)	360
180	Sponsorship	709
904	Dividend Received (tax Free Mutual Fund)	22
189	Miscellaneous Income	441
320	Forex Gain	-
254	Fees Received - Phaco Training	-
2148	Fees Received - Knowhow Fee	-
158	Discount Received	2152
34	Debtors W/o Realised	125
6711	Excess Provn W/b	1481
12179		5290
SCHEDULE "O" - HOSPITAL OPERATIVE EXPENSES		
35727	Clinical Expenses	25568
19008	Consultancy Charges	68906
529	Discount Opticals & Inpatients	118
8085	Electricity Charges	13569
47619	Materials Consumed	153919
10824	Other Hospital Expenses	23656
113638	Employee Cost	176902
235429		462639

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

31.03.2008 (Rs in '000s)	DESCRIPTION	31.03.2009 (Rs in '000s)
SCHEDULE "P" - ADMINISTRATIVE EXPENSES		
129	Audit Fees	127
2699	Bad Debts	3757
474	Conference Expenses	37
9600	Directors Remuneration	12000
13	Hire Charges	22
10501	Interior Decoration expenses	9613
342	Legal Fees	415
989	Office Maintenance	1428
5661	Printing & Stationery	8002
428	Professional charges	1110
505	Rates & Taxes	1250
45857	Rent	70436
4582	Repairs & Maintenance	4602
308	Software Development Charges	238
23666	Other Administrative expenses	35546
3480	Telephone Charges	5421
11159	Travelling & Conveyance	10387
2074	Vehicle Maintenance	5193
122467		169584
SCHEDULE "Q" - FINANCIAL EXPENSES		
2639	Financial Charges	3030
13920	Interest on Loans paid to Banks	36088
16559		39118
SCHEDULE 1 - MATERIALS CONSUMED		
4337	Opening Stock	23591
	Add : Materials Purchased	
40454	Opticals	86009
25939	Pharmacy	49116
481	Others	33624
71210		192340
23591	Less : Closing Stock	38421
47619		153919

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

31.03.2008 (Rs in '000s)	DESCRIPTION	31.03.2009 (Rs in '000s)
SCHEDULE 2 - OTHER HOSPITAL EXPENSES		
684	Consumables Computers	893
206	Fees Paid	107
102	Freight Outward	225
47	Gas Consumption	154
7718	Hospital Maintenance	15788
361	Insurance(Equipments)	98
189	Insurance(Vehicle)	290
589	Laboratory Expenses	3193
433	Optical labour chgs	1262
202	Patient Food Expenses	201
293	Security Charges	1446
10824		23656
SCHEDULE 3 - EMPLOYEE COST		
5519	Consultation Charges - Doctors	-
1908	Bonus	2402
3370	Employer's Contribution to PF	6933
1566	Gratuity	2673
91	Medical Reimbursement	-
448	Keyman Insurance	448
2497	Staff Welfare expenses	2549
98096	Salaries	161897
141	Stipend	-
113638		176902

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

31.03.2008 (Rs in '000s)	DESCRIPTION	31.03.2009 (Rs in '000s)
SCHEDULE 4 - OTHER ADMINISTRATIVE EXPENSES		
8611	Advertisement	11326
130	Books & Periodicals	98
788	Brokerage Expenses	184
1591	Business Promotion Expenses	4154
221	Camp expenses	45
2080	Donation Paid	1002
6144	Entertainment Expenses	10787
157	Insurance - others	1228
303	Internet Charges	638
1177	Inauguration expenses	1389
46	Listing Fees	32
97	Membership & Subscription A/C	55
455	Sundry Expenses	91
3	Outdoor patient screening expenses	-
532	Postage Expenses	1110
4	Renewal Fees	-
1	Sales Tax paid	-
178	Share Transfer Agent Fees	108
58	Sitting Fees	50
653	Sundry Debtors w/off	1249
273	Water Consumption	627
91	Delegate Fees	-
75	Prior Period Expenses	1374
23666		35546
SCHEDULE 5 - TRAVELLING & CONVEYANCE		
	Travelling Expenses - Directors	
720	- Domestic	382
4318	- Foreign	1241
6122	Travelling Expenses - Others	8764
11159		10387

**SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31.03.2009**

SCHEDULE – ‘R’

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, the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (“ICAI”), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Management evaluates all recently issued or revised accounting standards on an ongoing basis.

● **Use of Estimates**

The 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 1/10th 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.

- **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 31st March 2009 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.

3. **Fringe Benefit Tax**

Fringe Benefit Tax is provided in respect of benefits, defined under section 115WB of the Income tax Act 1961, provided to the employees during this year at the prescribed rates. Fringe benefit tax payable under the provisions of section 115WC of the Income Tax Act 1961 is in accordance with the guidance note on accounting for Fringe Benefit Tax issued by the Institute of Chartered Accountants of India regarded as the additional income tax and considered in determination of profits for the year.

- **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.34,45,200/- (P.Y. Rs.15,77,737/-).
3. The CIF value of Machineries imported during the year is Rs.1,16,54,691 /- (P.Y. Rs.2,61,56,170/-).
4. Total number of Managing and Whole-time Directors is Four.

Remuneration drawn Rs. 1,20,00,000/- (Minimum remuneration)

Since the remuneration is within the limits and in accordance with Schedule XIII, computation of remuneration under sec. 198 and sec 349 of Companies Act, 1956 has not been given.

5. Payment to Auditors (Including Service Tax):

Audit Fees	Rs. 99,270/-
Taxation Matters	Rs. 27,575/-
Other Services (Incl. Certification fees)	Rs. 8,17,316/-
Expenses	Rs. 1,17,043/-

6. Quantitative particulars of Medicines and Opticals for the year ended 31.03.2009 are given below.

Particulars	Quantity		Value (Rs.)	
	Opticals (Frames)	Pharmacy (Bottles)	Opticals	Pharmacy
Opening Stock	20950	207598	1,11,97,582	56,60,887
Purchases	112212	1236180	8,60,09,217	4,91,15,610
Sales	116229	1156809	18,04,94,533	5,58,40,603
Closing Stock	16933	286969	2,02,66,247	70,51,824

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. Due to increase in the useful life of Surgical Equipments, the company has adopted depreciation rate @ 20% as per schedule XIV of the Companies Act 1956 on WDV basis instead of higher rate in earlier years.

9. 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.

10. Impairment of Assets

During the year on a review as required by AS 28, the Management is of the opinion that no impairment loss or reversal of impairment loss is required, as conditions of impairment do not exist.

11. Intangible Assets

As per AS 26, 1/10th of Goodwill amounting to Rs.18,81,669/- has been amortized during the year.

12. Expenditure incurred towards set-up cost of new branches and renovation of existing branches during the year amounts to Rs.96,13,296/- and the same has been classified under "Interior decoration expenses"
13. Claims against the company not acknowledged as debt is Rs. Nil.
14. 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 31/03/2009 Audited	Year to date figures for the previous period ended 31/03/2008 Audited
I	SEGMENT-REVENUE		
	Medical Services	5472.11	-
	Trading Activities	1804.95	-
	Total Income	7277.06	-
	Others (Unallocable) - Net	52.91	-
	Income from Operations	7329.96	-
II	SEGMENT-RESULTS		
	Medical Services	198.25	-
	Trading Activities	223.06	-
	Profit before Interest and Tax	421.31	-
	Less: Interest	360.88	-
	Profit Before Tax	60.43	-
III	CAPITAL EMPLOYED:		

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

15. Related Party Transactions:

Nature of Related Party	Nature of Relationship	Nature of Transaction	Amount Rs.
Orbit International	Partnership of Relatives of Key Management Personnel	Licence Fee Deposit	88,00,000/-
Dr. Agarwal's Eye Institute	Partnership of Relatives of Key Management Personnel	Payment of Rent	3,69,96,080/-
Dr. J. Agarwal	Whole time Director	Director's Remuneration	30,00,000/-
Dr.(Mrs) T. Agarwal	Managing Director	Director's Remuneration	30,00,000/-
Dr. Amar agarwal	Joint Managing Director	Director's Remuneration	30,00,000/-
Dr. Athiya Agarwal	Whole time Director	Director's Remuneration	30,00,000/-
Dr. R.R.Sasikanth	Director	Consultancy Charges	1,05,000/-
Dr. Agarwal's Pharma Ltd.	Common Directors	Purchase of Medicines	72,10,049/-
Diana World Travel (P) Ltd	Common Directors	Purchase of Tickets	39,97,878/-

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

	31.03.2009	31.03.2008
Profit after tax (Rs.)	2023203	1544344
Number of shares issued	4500000	4500000
The nominal value per equity share (Rs.)	10	10
Basic / Diluted EPS (Rs.)	0.45	0.34

**BALANCE SHEET ABSTRACT
COMPANY'S GENERAL BUSINESS PROFILE
AS AT 31ST MARCH 2009**

Registration Details

Registration No.	27366	State Code	18
Balance Sheet Date	31.03.2009		

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	413936	Total Assets	413936
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Source of Funds

Paid up capital	45000	Reserve & Surplus	55037
Secured Loans	299343	Deferred tax Liability	3191
Unsecured Loans	11365		

Application of Funds

Net Fixed Assets	270164	Investment	319
Net Current Assets	143452	Miscellaneous Exp.	NIL
Accumulated Losses	NIL		

Performance of the Company

Turnover	732997	Total Expenditure	726098
Profit/(Loss) before tax	6043	Profit/(Loss) after tax	2023
Earnings per share in Rs.	0.45	Dividend rate	NIL

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

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

A.A. Shiraz
Company Secretary

Dr. J. Agarwal
Chairman

Dr. Amar Agarwal
Managing Director

Chennai
19th May 2009

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 :

TEAR HERE

PROXY FORM

(TEAR HERE)

I/We.....
Of..... being a member/members of DR AGARWAL'S EYE HOSPITAL Limited hereby appoint.....
Of..... or failing him
Of..... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held on 25th August 2009 at 11.00 AM or at any adjournment thereof.

Affix Re.1 Revenue Stamp

Signed this day of 2009

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.

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North Usman Road, T.Nagar, Chennai - 600 017.
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