



19th **annual report**
2012 - 2013

 **Dr. Agarwal's Eye Hospital Ltd**

19, Cathedral Road, Chennai - 600 086

Dr. Agarwal's Eye Hospital Ltd

Celebrates



56

YEARS OF CARING
FOR EYES



Padmabhushan Late. Dr. J. Agarwal
Founder Chairman



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

Hearty Tribute to Founders

Brings in honour to Indian Ophthalmology & India



The Medical Team of Dr. Agarwal's Eye Hospital comprising Prof. Amar Agarwal, Dr. Athiya Agarwal, Dr. Soosan Jacob Dr. Lakshmi won Awards(4 No's) in American Society of Cataract & Refractive Surgery Convention(ASCRS) at San Fransisco, USA in April 2013

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COMPANY INFORMATION

Board of Directors

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

Auditors

M/s. M. K. Dandeker & Co.
Chartered Accountants,
244, Angappa Naicken Street,
Chennai 600 001.

Registered Office

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

Bankers

- (1) State Bank of India,
Gopalapuram Branch,
Chennai - 600 086.
- (2) State Bank of India,
Industrial Finance Branch,
Chennai 600 002.

Share Transfer Agents

Integrated Enterprises (India) Ltd.
2nd Floor, Kences Towers,
No.1, Ramakrishna Street,
North Usman Road,
T.Nagar, Chennai 600 017.
Tel: 2814 0801-03
Email: corpserve@integratedindia.in

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of the shareholders of the company will be held on 13th August 2013 at 10.00 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 2013, 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 appoint 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 a SPECIAL Resolution:

“RESOLVED THAT subject to the provisions of Section 198 and 309 and other relevant provisions of the Companies Act 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 2013 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 Lakhs) 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).”

7. As a SPECIAL Resolution:

“RESOLVED THAT subject to the provisions of Section 198 and 309 and other relevant provisions of the Companies Act 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 2013 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 Lakhs) 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).”

8. 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 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 2013 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 Lakhs) 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).”

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 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 1st May 2013 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 Lakhs) 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).”

For and on behalf of the Board
Sd/-

Dr.Amar Agarwal
Chairman Cum Managing Director

Place : Chennai
Date : 27.05.2013

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 6th August 2013 to 13th August 2013. (both days inclusive)
5. 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.
6. 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.
7. 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.

8. Under the provisions of Section 205C of the Companies Act, 1956 dividends remaining unpaid for a period of 7 years will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. It may also be noted that once the unclaimed dividend is transferred to IEP fund, no claim shall lie in respect thereof. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company or Share Transfer Agent for claiming the amount before it is transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are given below.

Financial year ended	Dividend %	Date of declaration Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
2005-06	12%	29.08.2006	28.08.2013	27.09.2013
2006-07	15%	18.09.2007	17.09.2014	16.10.2014
2007-08	15%	12.08.2008	11.08.2015	10.09.2015
2009-10	8%	24.08.2010	23.08.2017	22.09.2017
2010-11	12%	23.08.2011	22.08.2018	21.09.2018

The Shareholders who have not claimed the dividends for the financial year ended 2005-06 are requested to claim the same before 28.08.2013, after which the amount will be transferred to IEP Fund.

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 in other Public Limited Companies
Dr. Athiya Agarwal	Ophthalmology	M.D. F.R.S.H. (Lon.) D.O.	NIL	NIL
Mr.M.R.G. Apparao	Consultant	B.Sc., DMIT, PGDM (IIM Calcutta)	NIL	Chairman-Audit Committee, Member Remuneration & Shareholders/ Investors' Grievance Committee

For and on behalf of the Board
Sd/-

Place : Chennai
Date : 27.05.2013

Dr. Amar Agarwal
Chairman Cum Managing Director

ANNEXURE TO NOTICE
EXPLANATORY STATEMENT

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

ITEM: 6,7, 8 and 9

Dr. Amar Agarwal (Managing Director), Dr. Athiya Agarwal (Wholetime Director) are the torch bearers of great legacy of the founders 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 50 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. 6, 7, 8 and 9 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 27/05/2013 has subject to the approval of the Members of the company in General Meeting, appointed Dr. Amar Agarwal (Managing Director) & Dr. Athiya Agarwal (Wholetime Director) for a period of three years with effect from 01.10.2013 And Dr.Adil Agarwal and Dr.Anosh Agarwal as whole time directors from 01.05.2013 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	12th 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	10972.95
	Profit after Tax	313.96
	Paid-up Share Capital	450.00
	Reserves & Surplus	1113.70
	Long term loans	1956.24
	Total	3519.94
	Less: Investments	3.19
	Preliminary Expenses (To The extent not written off)	Nil
	Effective Capital as on 31-03-13	3516.75
5. Export performance and net Foreign Exchange Collaborations, if any	NIL	
6. Foreign invesments or Collaborations, if any	NIL	

II. INFORMATION ABOUT APPOINTEE:**a) Dr. Amar Agarwal**

- | | |
|---|--|
| 1. Background details | Dr. Amar Agarwal, 53 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 21 years experience in Eye Care Industry. |
| 2. Past Remuneration | Rs.3,00,000/- per month (cost to the Company). |
| 3. Recognition or awards | Kelman Award by Hellenic Society of Greece, Barraquer Award by the Keratomileusis Study Group, American Academy Achievers Award & International Ophthalmologist Education Award by the American Academy of Ophthalmology, Casebeer Award by the International Society of Refractive Surgery, Gold medal by Dr. David, Gold medal by Moroccan Ophthalmological Society. Many Video awards at American Academy of Ophthalmology, Golden Apple Award at American Society of Cataract & Refractive Surgery convention and best education video at European Society of Cataract & Refractive Surgery convention. He has won National Awards like Scientific innovation award, Champion of Humanity award . Special Award by National Integration committee, A.D. Grover Oration Award , for the sake of honour Award by the Rotary club of Ambattur 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. |

b) Dr. Athiya Agarwal

- | | |
|---|---|
| 1. Background details | Dr. Athiya. Agarwal 57 years, has been the Director of the company since its inception .She is M D, F R S H (London), DO, She has over 21 years experience in Eye Care Industry. |
| 2. Past Remuneration | Rs.3,00,000/- per month (cost to the Company) |
| 3. Recognition or awards | International video awards for her videos at American Society of Cataract & Refractive Surgery convention and at European Society of Cataract & Refractive Surgery convention. |
| 4. 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. |
| 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 her stature and experience. |
| 7. 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 30 years, has been the Director of the company for the past five years. He is qualified MS. |
| 2. Past Remuneration | Rs.2,50,000/- per month (cost to the Company) |
| 3. 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. |
| 4. Remuneration proposed | Rs.3,00,000/- per month |
| 5. 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. |
| 6. 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 28 years, has been the Director of the company for the past two years. He is qualified MS and MBA from Harvard University |
| 2. Past Remuneration | Rs.2,50,000/- per month (cost to the Company). |
| 3. 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. |
| 4. Remuneration proposed | Rs.3,00,000/- per month |
| 5. 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. |
| 6. 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

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| 1. Reasons for loss or inadequate profits | As on 31 st March, 2013 the Company posted a net profit of Rs. 313.96 lakhs. As per the provisions of Schedule XIII, these would be inadequate for payment of remuneration to the four 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 and Mr. Prabhat Toshniwal may deemed to be interested or concerned to the extent of remuneration may be paid as proposed in the respective resolution.

Place : Chennai
Date : 27.05.2013

For and on behalf of the Board
Sd/-
Dr.Amar Agarwal
Chairman Cum Managing Director

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the NINETEENTH ANNUAL REPORT and that of the Auditors together with the audited Balance Sheet as at 31st March 2013 and the Profit and Loss account for the year ended on that date.

PERFORMANCE

The financial results for the year ended 31st March 2013 are as under:

	Rs. (In Lakhs)	
	31.03.2013	31.03.2012
Income	10972.95	10568.29
Profits before depreciation and interest	1332.84	1300.21
Depreciation	535.21	568.57
Interest	354.22	439.36
Profit before Tax	443.42	292.28
Provision for taxation	129.47	132.43
Profit After Tax	313.96	159.85
Balance of Profit brought forward	392.50	232.65
Profit available for appropriations	706.46	392.50
Appropriations:		
Dividend (inclusive of dividend tax)	62.76	-
Transfer to General Reserve	8.00	-
Balance carried forward to Balance Sheet	635.70	392.50

COURSE OF BUSINESS AND OUTLOOK

During the year under review, the company had achieved a turnover of Rs.109.73 crore as compared to Rs. 105.68 crore in the last year. The profit before tax was Rs 4.43 crore as compared to Rs. 2.92 crore in the previous year, which is 34% growth over the previous year level. The board of directors have planned to consolidate and improve the growth of existing hospitals for the current year.

FIXED DEPOSIT:

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

DIVIDEND

The Directors recommended a dividend of 12% exclusive of dividend tax for the financial year ended 31st March 2013.

DIRECTORS

Dr. Athiya Agarwal and Mr. M R G Appa Rao retire by rotation and are eligible for re-appointment.

INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to section 205C of the Companies Act, 1956, your company has transferred a sum of Rs.182133/- being unclaimed final dividend for the year 2004-05.

AUDITORS

The auditors of the Company M/s.M. K. Dandeker & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

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

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

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

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

FOREIGN EXCHANGE EARNINGS/OUTGO:

Foreign Earnings : Rs.178.46 Lakhs towards training and management consultancy charges.

Foreign Outgo : Rs.14.10 Lakhs towards foreign travel.

DIRECTORS' RESPONSIBILITY STATEMENT:

Directors hereby declare:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities subject to the inherent limitations that should be recognized in weighing the assurance;
- iv) that the directors had prepared the annual accounts on a going concern basis.

SECRETARIAL COMPLIANCE CERTIFICATE:

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

EMPLOYEE RELATIONS:

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

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility is part of our service that is beyond serving the needy in this neighborhood. Following legacy, the gained knowledge and expertise surgical skills are shared with peers and trained to aspirants.

Eye Care was extended as service to society through more than 4000 public screening programs involving - screening for eye related problems with technical counseling and bringing awareness on impact of life style disease on eye and other eye ailments. More than 3.5 lakh people were screened including the children which contributed about 20% of screening.

The marked days of health calendar like Cataract Awareness Month, Eye Donation Awareness Fortnight, World Glaucoma Week, World Sight Day were utilized in creating awareness through multidimensional promotional activities, The awareness program conducted in schools and educational institutes will benefit them in many ways and fulfill our aim of extending clear vision.

Legacy's belief in knowledge dissemination is carried out through different types of scientific programmes. The attendance of the delegates in conference like Indian Intra ocular implant & Refractive Society (IIIRSI) or Reticon or Kalpavriksha highlights the wide acceptance of the program and benefits gained by them. The monthly Continued Medical Education (CME) at regional level is contributing to peer's practice and acquaintance with global trend in eye care.

With all efforts on safety, research and advancement in eye care, we strive to move beyond the business and add many colours to many lives, because 'Vision is Life'.

MINIMUM PUBLIC SHAREHOLDING (MPS)

In order to achieve MPS at 25%, the Company has sought approval of the Securities Exchange Board of India (SEBI) to adopt Employees Stock Purchase Scheme (ESP Scheme) and SEBI vide its letter dated 14th May, 2013 acceded to the request of proposed ESP Scheme for meeting compliance with (MPS). The Board of Directors of the Company has also approved the ESP Scheme in the board meeting held on 27th May, 2013 and the Company has called for an Extra Ordinary General Meeting on 25th June, 2013 to obtain approval of the shareholders for the ESP Scheme.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2013 duly certified by the auditors of the company is annexed.

ACKNOWLEDGEMENTS:

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

Place : Chennai
Date : 27.05.2013

For and on behalf of the Board
Sd/-
Dr.Amar Agarwal
Chairman Cum Managing Director

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

- I. Dr. Agarwal's Eye Hospital is one of the pioneers in eye 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.

II. Performance Review

During the year, the company has achieved a turnover of Rs.109.73 crore as compared to Rs. 105.68 crore in last year and made a profit of 313.96 lakhs as compared to Rs. 159.86 lakhs in the previous year.

III. Risks & Concerns

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

IV. Internal Control Systems

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

2. CORPORATE GOVERNANCE REPORT**INTRODUCTION**

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendments to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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.

1. BOARD OF DIRECTORS

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

(a) Composition and category of Directors:

Name	Designation	Category	No. of Board Meetings attended during 2012-13	Whether attended last AGM	No. of directorships in other public companies	No. of Committee memberships (Chairmanship) in public Companies
1. Dr. Amar Agarwal	Chairman-cum-Managing Director	Executive & Non-independent (Promoter)	5	YES	2	NIL
2. Dr. Athiya Agarwal	Whole Time Director	Executive & Non-independent (Promoter)	5	YES	3	NIL
3. Dr. Adil Agarwal	Director	Executive & Non-Independent (Promoter)	3	NO	1	NIL
4. Dr. Anosh Agarwal	Director	Executive & Non Independent (Promoter)	3	NO	1	NIL
5. Dr. Jasvinder Singh Saroya	Director	Non Executive Independent	NIL	NO	NIL	NIL
6. Mr. M. R. G Apparao	Director	Non Executive Independent	4	NO	1	NIL
7. Mr. Prabhat Toshniwal	Director	Non Executive Independent	NIL	NO	NIL	NIL
8. Mr. Sanjay Anand	Director	Non Executive Independent	4	YES	NIL	NIL

(b) Meetings

During the year 2012-13, 5 (Five) Board Meetings were held at # 19, Cathedral Road, Chennai-600 086 on the following dates:

25/05/2012, 31/07/2012, 06/11/2012, 22/12/2012 and 05/02/2013

(c) 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.

(d) 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.

Except 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.

(e) Code of Conduct

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

2. 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, 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. Meetings and Attendance

Audit committee meeting held during the year and attendance details.

Date of Meeting	No. of members present
May 25,2012	2
July 31,2012	2
November 6, 2012	2
February 5, 2013	2

3. REMUNERATION COMMITTEE

Constitution

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

- | | | |
|-------------------------|---|----------|
| 1. Mr. M. R. G. Apparao | - | Chairman |
| 2. Mr Sanjay Anand | - | Member |
| 3. Mr Prabhat Toshniwal | - | 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 2012-13, 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.

4. 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 31-03-2013 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. Mr Sanjay Anand | - | Member |
| 3. Mr.Prabhat Toshniwal | - | Member |

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

Dr.Amar Agarwal, CMD is the Compliance Officer.

During the year 2012-13 the Committee met on : 25/05/2012, 31/07/2012, 06/11/2012, and 05/02/2013.

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 2013, 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.

5. GENERAL BODY MEETINGS.**I. Meeting Details**

Year	Location	Date	Time	Number of Special Resolution passed
2009-10	Registered Office	24-08-2010	11.00 A.M	Four*
2010-11	Registered Office	23-08-2011	11.00 A.M	NIL
2011-12	Registered Office	21-08-2012	11.00 A.M	NIL

*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 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/ Sitting fees paid during 2012-13 (Rs.)	Perfor- mance Incentive	Stock Options
1. Dr. Amar Agarwal	Chairman cum Managing Director	36,00,000	NIL	NIL
2. Dr. Athiya Agarwal	Whole Time Director	36,00,000	NIL	NIL
3. Dr. Adil Agarwal	Whole Time Director	15,01,560	NIL	NIL
4. Dr. Anosh Agarwal	Whole Time Director	NIL	NIL	NIL
5. Dr. Jasvinder Singh Saroya	Director	NIL	NIL	NIL
6. Mr. M. R. G. Apparao	Director	20,000	NIL	NIL
7. Mr. Prabhat Toshniwal	Director	NIL	NIL	NIL
8. Mr. Sanjay Anand	Director	20,000	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 27th May, 2013.

9. COMMUNICATION APPROACH

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

10. GENERAL SHAREHOLDER INFORMATION**I. 19th Annual General Meeting**

The 19th annual general meeting will be held on 13th August, 2013 at 19, Cathedral Road, Chennai - 600 086.

II. Tentative Financial Reporting Calendar

Financial Reporting 2013-14	From	To	Date
1 st Quarter	April	June	On or before August 14, 2013
2 nd Quarter	July	September	On or before November 14, 2013
3 rd Quarter	October	December	On or before February 14, 2014
4 th Quarter	January	March	On or before May 30, 2014
Annual General Meeting	April 2013	March 2014	On or before September 30, 2014

III. Book Closure

The date of closure is from 06-08-2013 to 13-08-2013.

IV. Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid upto on	ISIN No.
Bombay Stock Exchange	526783	31-03-2014	INE934C01018
Madras Stock Exchange Ltd.	118995	31-03-2014	-

V. Market price data

High and low prices of Equity shares in the financial year 2012-13 were as follows :

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April 2012	75.05	53.10
May 2012	78.05	63.10
June 2012	76.35	59.05
July 2012	79.20	64.65
August 2012	77.45	63.10
September 2012	99.45	67.00
October 2012	157.00	73.05
November 2012	124.50	92.15
December 2012	101.00	81.60
January 2013	103.40	84.00
February 2013	95.00	75.05
March 2013	89.00	64.10

There was no trading of the Company's shares in the Madras Stock Exchange during the year 2012-13 and delisting approval is awaited from the exchange.

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
Tel:2814 0801-03
Email: corpserve@integratedindia.in

Share transfers are processed and share certificates duly endorsed are returned within the stipulated period as specified under the Companies Act, 1956 and the listing agreement with the Stock Exchange, from the date of receipt if the documents are correct and valid in all respects.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with the Stock Exchange.

VII. Unpaid/Unclaimed Dividend

Pursuant to Section 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, remaining unpaid/unclaimed for a period of seven years from the date of declaration will be transferred to Investor Education and Protection Fund (IEP Fund) established by the Central Government. No claim shall lie against the IEP Fund or the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Members who have not yet encashed their dividend warrant(s) for the financial years 2005-06 onwards, are requested to make their claims without any delay to the Company's Registrar and Transfer Agents, M/s. Integrated Enterprises (India) Ltd.

During the year, the Company has transferred a sum of Rs.182133/- representing unpaid dividends for the year 2004-05 to the IEP Fund as required under Section 205A and 205C of the Companies Act, 1956.

VIII. Equity Shares in Suspense Account

As per Clause 5A(1) and 5A (II) of the Listing Agreement with the Stock Exchanges, the Company reports following details in respect of Equity Shares lying in the "Unclaimed Suspense Account".

Particulars	No.of Shareholders	No.of Equity Shares
Aggregate number of shareholders and the outstanding shares in the Suspense Account lying as on April, 2012	6	4000
Number shareholders who approached the Company for transfer of shares from the suspense account during the year	Nil	Nil
Number of shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2013	Nil	Nil

The voting rights of the shares outstanding in the Suspense Account as on March 31,2013 shall remain frozen till the rightful owner of such shares claims the shares.

IX. Distribution of shareholding

As on 31st March, 2013

Category	Number of Shares held	% of holding
1. Promoters		
- Indian	35,20,208	78.23
- 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	67,378	1.50
- Indian Public	8,84,250	19.65
- NRIs / OCBs	19,600	0.43
- Other than specified above Clearing Members	8,564	0.19
Total	45,00,000	100
Paid-up Shares	45,00,000	100

X. DISTRIBUTION SCHEDULE AS ON 31/03/2013

Sl. No.	Category of Shares	Holders		Shares	
		Nos.	%	Nos.	%
1	1 - 500	2422	90.24	288913	6.42
2	501 - 1000	123	4.58	98460	2.19
3	1001 - 2000	66	2.46	100570	2.24
4	2001 - 3000	32	1.19	80117	1.78
5	3001 - 4000	10	0.37	35601	0.79
6	4001 - 5000	9	0.34	41448	0.92
7	5001 - 10000	6	0.22	38353	0.85
8	10001 and above	16	0.60	3816538	84.81
	TOTAL	2684	100.00	4500000	100.00

XI. Dematerialisation of shares

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

XII. Regd. Office Location

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

XIII. Dematerialisation of Shares and Liquidity

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

Approximately 40,50,804 being 90.02% shares have already been dematerialized.

For and on behalf of the Board

Place : Chennai
Date : 27.05.2013

Sd/-
Dr.Amar Agarwal
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
Date : 27.05.2013

**Dr.Amar Agarwal
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 31st March 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges 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 representations 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.,
(Firm Reg. No.000679S)
Sd/-

K.J. Dandeker

Partner

Chartered Accountants

Membership No.018533

Place : Chennai
Date : 27.05.2013

**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 31/03/2013 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 : 27.05.2013

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF Dr. Agarwal's Eye Hospital Limited**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Dr. Agarwal's Eye Hospital Limited**, which comprise the Balance Sheet as at 31st March 2013, and the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our auditing accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION:

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 2013,
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Statement of Profit and Loss 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 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

for M.K. Dandeker & Co.,
(Firm Reg. No.000679S)
Sd/-

K.J. Dandeker
Partner

Place : Chennai
Date : 27.05.2013

Chartered Accountants
Membership No.018533

ANNEXURE TO THE INDEPENDANT 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 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 and Excise Duty were in arrears as on 31.03.2013 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 and Excise Duty 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. 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.
 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. During the year covered by our Audit Report, the Company has not issued any debentures and therefore paragraph 4(xvii) of the said Order 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(xviii) 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(xix) 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.,
(Firm Reg. No.000679S)

Sd/-

K.J. Dandeker

Partner

Chartered Accountants

MembershipNo.018533

Place : Chennai

Date : 27.05.2013

N K BHANSALI & CO.,
Company Secretaries
"Crescent Court"
963/15, 3rd Floor, Poonamallee High Road,
Chennai-600084.
Tamilnadu

Tel/Fax +91 44 43560004
Mobile +91 98400 24744
bhansalifcs@gmail.com

COMPLIANCE CERTIFICATE

To

The Members
DR. AGARWAL'S EYE HOSPITAL LIMITED
CHENNAI -86
CIN No.L85110TN1994PLC027366

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, 2013. 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 5 times on 25/05/2012, 31/07/2012, 06/11/2012, 22/12/2012 and 05/02/2013 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
6. The annual general meeting for the financial year ended 31/03/2012 was held on 21/08/2012 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 general 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.during the year under review
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 of the Act.
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 the certificate on lodgement thereof for transfer/transmission .
 - ii. Since no dividend was declared during the year deposited the amount of dividend declared including interim dividend in a separate Bank Account does not arise
 - iii Transferred the amounts in unpaid dividend account for the year financial year 2005 which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund;
 - iv. duly complied with the requirements of section 217 of the Act.
14. 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.
15. The appoinment of sole-selling agents was made in compliance of the provisions of 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 thereunder.
19. The company has not issued any shares / debentures / securities during the financial year under review
20. The company has not bought back any shares during the financial year ending under review.
21. Since the company has not issued any preference shares or debenture , the question of their redemption doesn't arise

22. There were no instances of keeping in abeyance rights to dividend pending registration of transfer of shares in compliance with the provisions of the Act.
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 31/03/2013 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.
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 no 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 : 27.05.2013

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 share transfer.
10. Register of Fixed Assets.
11. Register of investment u/s 372A.

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, 2013.

Sl. No.	Document Type / Form No	U/S* of The Companies Act,1956	Filing Date
1.	Form 23AC & Form 23ACA	220	28.12.2012
2.	Form 66	383A	06.09.2012
3.	Form 5 INV	IEPF Rules	08.09.2012
4.	Form 20B	159	20.10.2012
5.	Form 5 INV	IEPF Rules	27.11.2012
6.	Form 8	125	22.01.2013
7.	Form 21	621A	30.11.2012
8.	Form 1 INV	IEPF Rules	05.11.2012

for N.K.BHANSALI & CO.,
Company Secretaries
Sd/-
(N.K.BHANSALI)

Proprietor

C.P.No : 2321 FCS No. 3942

Place: Chennai
Date : 27.05.2013

BALANCE SHEET AS AT 31 MARCH, 2013

Particulars	Note No.	31 March, 2013 (Rs. in 000's)	31 March, 2012 (Rs. in 000's)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	45,000	45,000
(b) Reserves and surplus	2	111,370	86,250
2 Non-current liabilities			
(a) Long-term borrowings	3	123,526	146,769
(b) Deferred tax liabilities (net)		3,191	3,191
(c) Other long-term liabilities	4	5,288	3,624
3 Current liabilities			
(a) Short-term borrowings	5	88,416	75,616
(b) Trade payables	6	111,945	103,906
(c) Other current liabilities	7	134,158	104,056
(d) Short-term provisions	8	11,152	6,039
TOTAL		634,047	574,451
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9.A	216,229	213,344
(ii) Intangible assets	9.B	11,467	13,752
		227,696	227,095
(b) Non-current investments	10	319	319
(c) Long-term loans and advances	11	155,293	154,812
(d) Other non-current assets	12	23,076	6,310
		406,383	388,536
2 Current assets			
(a) Inventories	13	66,507	59,977
(b) Trade receivables	14	52,455	50,455
(c) Cash and Bank balances	15	58,126	39,937
(d) Short-term loans and advances	16	36,784	21,207
(e) Other current assets	17	13,792	14,340
		227,664	185,915
TOTAL		634,047	574,451

Notes forming part of the financial statements 1-41

As per our report attached

For M.K. Dandeker & Co.,

(Firm Reg. No.000679S)

Sd/-

K.J. Dandeker

Partner

Chartered Accountants

Membership No 018533

For and on behalf of the Board of Directors

Sd/-

Dr. Athiya Agarwal

Director

Sd/-

Dr. Amar AgarwalChairman &
Managing Director

Place : Chennai

Date : 27.05.2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

Particulars	Note No.	31 March, 2013 (Rs. In '000s)	31 March, 2012 (Rs. In '000s)
Revenue			
1 Revenue from operations	18	1,085,173	1,034,995
2 Other income	19	12,121	21,834
Total Revenue		1,097,295	1,056,829
3 Expenses			
(a) Hospital Operative Expenses	20	243,816	221,132
(b) Purchases of stock-in-trade	21	247,646	257,828
(c) Changes in inventories of finished goods and stock-in-trade	22	(6,497)	(19,006)
(d) Employee benefits expenses	23	220,636	205,398
(e) Finance costs	24	35,422	43,936
(f) Depreciation and Amortisation expenses	9	53,521	56,857
(g) Other Expenses	25	258,410	261,456
Total Expenses		1,052,953	1,027,601
4 Profit / (Loss) Before Tax	A	44,342	29,228
5 Tax expenses:			
(a) Current tax expense for current year		12,950	13,200
(b) Current tax expense relating to prior years		(121)	-
(c) Wealth Tax		118	43
Total	B	12,947	13,243
6 Profit / (Loss) for the Year	A-B	31,396	15,986
7 Earnings per share (of 10/- each):			
(a) Basic Continuing operations		6.98	3.55
(b) Diluted Continuing operations		6.98	3.55
Face value per share (in Rs)		10.00	10.00

Notes forming part of the financial statements 1-41

As per our report attached
For M.K. Dandeker & Co.,
(Firm Reg. No.000679S)
Sd/-
K.J. Dandeker
Partner
Chartered Accountants
Membership No 018533

Place : Chennai
Date : 27.05.2013

For and on behalf of the Board of Directors

Sd/-
Dr. Athiya Agarwal
Director

Sd/-
Dr. Amar Agarwal
Chairman &
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

Description	Year ended 31.03.13 Rs in 000's	Year ended 31.03.12 Rs in 000's
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	44,342	29,228
Adjustments for :		
Depreciation	53,521	57,048
Interest expenses	25,719	43,935
Impairment of Tangible Assets	238	
Forex Gain	-	(387)
Interest / Dividend	(153)	(619)
Profit/ (Loss) on Sale of Fixed Asset	(86)	-
	<u>79,239</u>	<u>99,978</u>
Operating Profit before Working Capital Changes	123,581	129,206
Adjustments of Working Capital Changes:		
Increase/(Decrease) in Trade Payables	7,985	(1,329)
Increase/(Decrease) in Other Liabilities	22,172	-
Increase/ (Decrease) in Provisions	(1,164)	2,230
(Increase)/Decrease in Loan & Advances	(31,684)	-
(Increase)/Decrease in Trade Receivables	(15,234)	99
(Increase)/Decrease in Other Receivables	(6)	1,358
(Increase)/Decrease in Other Current Assets	(628)	-
(Increase)/Decrease in Inventories	(6,530)	(19,006)
	<u>(25,090)</u>	<u>(16,648)</u>
Cash Generated from operations	98,491	112,558
Direct Tax - Refund (net off Payment)	11,163	-
Net Changes in Working Capital Cash generated	109,654	112,558
Net Cash from Operating Activities - A	109,654	112,558
B CASH FLOW FROM INVESTING ACTIVITIES		
Description	Rs in 000's	Rs in 000's
Purchase of Fixed Assets	(56,983)	(36,966)
Dividend Received	-	32
Interest Received	-	587
Capital Advance	(8,384)	-
Investment in Bank Deposit	(400)	-
Sale of Fixed Assets	2,504	-
Sale proceeds of investments	-	-
Net Cash used in Investing Activities - B	(63,263)	(36,348)

Description	Year ended 31.03.13 Rs in 000's	Year ended 31.03.12 Rs in 000's
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividends & Dividend Tax	(5)	4,212
Proceeds from Long Tern Borrowings	38,391	15,113
Interest paid	(27,175)	(35,162)
Proceeds from Short Term Borrowings (Net)	12,800	-
Unpaid Dividend transferred to Investors' Education & Protection Fund	(182)	-
Dividend paid, not claimed and received back	317	-
Repayment of Long Term Borrowings	(52,898)	(50,889)
<i>Net Cash inflow from Financing Activities - C</i>	<u>(28,752)</u>	<u>(66,726)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	17,639	9,484
CASH AND CASH EQUIVALENT AS AT 31-03-2012	39,637	30,153
CASH AND CASH EQUIVALENT AS AT 31-03-2013	57,276	39,637
INCREASE IN CASH AND CASH EQUIVALENTS	17,639	9,484

As per our report attached
For M.K. Dandekar & Co.,
(Firm Reg. No.000679S)
Sd/-
K.J. Dandekar
Partner
Chartered Accountants
Membership No 018533

For and on behalf of the Board of Directors

Sd/- Dr. Athiya Agarwal Director	Sd/- Dr. Amar Agarwal Chairman & Managing Director
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Place : Chennai
Date : 27.05.2013

Notes forming part of the financial statements

Note 1 Share Capital

Particulars	31 March, 2013		31 March, 2012	
	Number of shares	Amount (Rs. '000s)	Number of shares	Amount (Rs. '000s)
(a) Authorised 200,00,000 Equity shares of Rs.10/- each	20,000,000	200,000	20,000,000	200,000
(b) Issued 45,00,000 Equity shares of Rs.10/- each with voting rights	4,500,000	45,000	4,500,000	45,000
(c) Subscribed and fully paid up 45,00,000 Equity shares of Rs.10/- each with voting rights	4,500,000	45,000	4,500,000	45,000
Total	4,500,000	45,000	4,500,000	45,000

(i) Reconciliation for the shares outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue / Bonus	ESOP / Buyback/ other Changes	Closing Balance
Equity shares with voting rights Year ended 31 March, 2013				
- Number of shares	4,500,000	-	-	4,500,000
- Amount (Rs.10/-)	45,000,000	-	-	45,000,000
Year ended 31 March, 2012				
- Number of shares	4,500,000	-	-	4,500,000
- Amount (Rs.10/-)	45,000,000	-	-	45,000,000

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares at par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount per share dividend recognized as distribution to equity shareholders was Rs. 1.20 (31 March 2012 : Nil)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares held by Dr. Agarwal's Health Care Limited (Holding Company)

Class of shares	31 March, 2013		31 March, 2012	
	Number of shares held	Amount (Rs.'000s)	Number of shares held	Amount (Rs.'000s)
Equity shares of Rs. 10 each	3,372,408	33,724	900,000	9,000

Notes forming part of the financial statements (Contd.)

(iv) Details of shares held by each shareholder holding more than 5% shares

Class of shares/Name of shareholder	31 March, 2013		31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Dr.Agarwal's Health Care Ltd	3,372,408	74.94	900,000	20.00
Dr.Amar Agarwal	-	-	473,887	10.53
Dr.Agarwal's Eye Institute Pvt Ltd	-	-	451,800	10.04
Dr.Adil Agarwal	-	-	382,321	8.50
Dr.Ashvin Agawal	-	-	374,608	8.32
Dr.Anosh Agrwal	-	-	368,246	8.18
Dr.Athiya Agarwal	-	-	354,546	7.88

Note 2 Reserves and Surplus

Particulars	31 March, 2013 (Rs.in 000's)	31 March, 2012 (Rs.in 000's)
(a) Securities Premium Account		
Opening balance	41,100	41,100
Add : Premium on shares issued during the year	-	-
Closing balance	41,100	41,100
(b) General Reserve		
Opening balance	5,900	5,900
Add: Transferred from surplus in Statement of Profit and Loss	800	-
Closing balance	6,700	5,900
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	39,250	23,264
Add: Profit / (Loss) for the year	31,396	15,986
Less : Dividends proposed to be distributed to equity shareholders	5,400	-
Tax on dividend	876	-
Amount Transferred to General reserve	800	-
Closing balance	63,570	39,250
Total	111,370	86,250

Notes forming part of the financial statements (Contd.)**Note 3 Long-Term Borrowings**

Particulars	Terms of repayment	31 March 2013 (Rs.in 000's)	31 March 2012 (Rs.in 000's)
<u>Secured Loan</u>			
<u>Term loans from banks:</u>			
a) Term Loan - SBI (Secured by First Charge on assets created out of this Term Loan)	7 Years	3,742	15,170
b) 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)	Note 1	118,775	130,609
c) Vehicle Loan - Kotak Mahindra Bank (Secured by hypothecation of Vehicle)	3 Years	1,009	778
Total - Term loans from banks (A)		123,526	146,557
<u>Vehicle Loans from other parties:</u>			
a) Vehicle Loan - Reliance Consumer Finance Pvt Ltd (Secured by hypothecation of Vehicle)	3 Years	-	212
Total - Term loans from other parties (B)		-	212
Total - loans and advances (A+B)		123,526	146,769

The above Term Loans from SBI have been guaranteed by the Corporate guarantee of Dr. Agarwal's Health Care Limited (Holding Company).

Note 1 :

Terms of repayment are as follows :

Term Loan II - Rs. 39,495 - 6 years, Term Loan IV - Rs. 24,090 - 5 years, Term Loan V - Nil - years, Term Loan VI - Rs. 20,791 - 6 years, Term Loan VII - Rs. 34,399 - 6 years

Note 4 Other Long-Term Liabilities

Particulars	31 March, 2013 (Rs.in 000's)	31 March, 2012 (Rs.in 000's)
(i) Trade Payables		
(a) Due to Micro, Small & Medium Enterprises	13	-
(b) Others	3,127	3,194
(ii) Payables other than Trade Payables	2,148	430
Total	5,288	3,624

Notes forming part of the financial statements (Contd.)**Note 5 Short-Term Borrowings**

Particulars	31 March, 2013 (Rs.in 000's)	31 March, 2012 (Rs.in 000's)
a) Cash Credit - SBI (Hypothecation of all current Assets)	88,416	75,616
Total	88,416	75,616

The above Cash Credit from SBI has been guaranteed by the Corporate Guarantee of Dr. Agarwal's Health Care Limited - Holding Company

Note 6 Trade Payables

Particulars	31 March, 2013 (Rs.in 000's)	31 March, 2012 (Rs.in 000's)
A) Trade Payables :		
(i) Due to Micro, Small & Medium Enterprises	30	157
(ii) Others	111,916	103,749
Total	111,945	103,906

Note 7 Other Current Liabilities

Particulars	31 March, 2013 (Rs in 000's)	31 March, 2012 (Rs in 000's)
a) Current maturities of long-term debt	72,098	63,471
b) Interest accrued and due on borrowings	1,373	2,830
c) Unpaid dividends	1,044	915
d) Outstanding Liabilities	42,872	23,792
e) Payables other than trade payables	4,964	4,332
f) Advances from customers	3,714	3,196
g) Statutory remittances (Contributions to PF ESIC, VAT, Service Tax, etc.)	8,093	5,518
Total	134,158	104,056

Note 8 Short-Term Provisions

Particulars	31 March, 2013 (Rs. in 000's)	31 March, 2012 (Rs. in 000's)
(a) Provision for employee benefits:		
(i) Provision for bonus	4,876	3,500
(ii) Provision for gratuity	-	2,539
(b) Provision - Others:		
(i) Provision for proposed equity dividend	5,400	-
(ii) Provision for tax on proposed dividends	876	-
Total	11,152	6,039

Note 9 Fixed Assets**Gross Block**

(Rs. in '000s)

Description	Balance as at 1 Apr. 2012	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange difference	Borrowing cost capitalised	Other adjustments	Balance as at 31 March 2013
A. Tangible Assets										
(a) Surgicals Equipment	312,590	48,774	51,961	-	-	-	-	-	-	309,404
(b) Furniture and Fixtures	63,975	6,402	1,167	-	-	-	-	-	-	69,211
(c) Vehicles	37,847	1,405	263	-	-	-	-	-	-	38,989
(d) Electrical Fittings	101,159	22,584	1,924	-	-	-	-	-	-	121,818
(e) Computers	23,353	3,750	140	-	-	-	-	-	-	26,963
(f) Leasehold improvements	24,692	6,151	1,213	-	-	-	-	-	-	29,630
(g) Kitchen Equipments	-	634	-	-	-	-	-	-	-	634
Total	563,615	89,701	56,668	-	-	-	-	-	-	596,648
Previous year	527,711	62,353	26,449	-	-	-	-	-	-	563,615
B. Intangible Assets										
Goodwill	22,833	1,200	1,200	-	-	-	-	-	-	22,833
Total	22,833	1,200	1,200	-	-	-	-	-	-	22,833
Previous year	22,833	-	-	-	-	-	-	-	-	22,833

Accumulated depreciation and impairment**Net Block**

Description	Balance as at 1 Apr. 2012	Depreciation/amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in statement of profit and loss	Other adjustments	Balance as at 31 March 2013	Balance as at 31 March 2013	Balance as at 1 April 2012
A. Tangible Assets										
(a) Surgicals Equipment	205,755	22,469	-20,718	-	238	-	-	207,744	101,660	106,836
(b) Furniture and Fixtures	35,434	5,677	-91	-	-	-	-	41,020	28,190	28,541
(c) Vehicles	25,465	3,207	-	-	-	-	-	28,673	10,317	12,381
(d) Electrical Fittings	53,898	9,937	-351	-	-	-	-	63,483	58,335	47,261
(e) Computers	17,534	3,108	-52	-	-	-	-	20,590	6,373	5,836
(f) Leasehold improvements	12,203	6,795	-132	-	-	-	-	18,866	10,764	12,489
(g) Kitchen Equipments	-	43	-	-	-	-	-	43	591	-
Total	350,289	51,236	-21,344	-	238	-	-	380,419	216,229	213,344
Previous year	295,985	54,764	-346	-	191	-	-	350,289	213,344	231,726
B. Intangible Assets										
Goodwill	9,081	2,285	-	-	-	-	-	11,366	11,467	13,752
Total	9,081	2,285	-	-	-	-	-	11,366	11,467	13,752
Previous year	6,798	2,283	-	-	-	-	-	9,081	13,752	16,034

Notes forming part of the financial statements (Contd.)**Note 10 Non-current investments**

Particulars	31 March, 2013 Quoted (Rs.in 000's)	31 March, 2012 Quoted (Rs.in 000's)
(a) Investments at cost : Quoted non trade investment of Polyspin Exports Ltd 31,900 Shares of Rs.10 Each. Market Value Rs. 16/- per share (Rs.5,10,400 31.03.12 - Rs.18/- per share - Rs.5,74,200)	319	319
Total	319	319

Note 11 Long-term loans and advances

Particulars	31 March, 2013 (Rs.in 000's)	31 March, 2012 (Rs.in 000's)
(a) Security deposits Unsecured, considered good	133,781	132,340
(b) Advance Tax net of provision Unsecured, considered good	21,512	22,472
Total	155,293	154,812

Note 12 Other non-current assets

Particulars	31 March, 2013 (Rs.in 000's)	31 March, 2012 (Rs.in 000's)
(a) Trade receivables Unsecured, considered good	14,678	1,444
(b) Other receivables from related parties Unsecured, considere good	8,198	4,416
(c) Non current bank balances (unsecured, considered good) Term deposit with original maturity of more than 12 months	200	450
Total	23,076	6,310

The term deposits included above has been given as security towards bank guarantee obtained from State Bank of India

Note 13 Inventories (At lower and net realisable value)

Particulars	31 March, 2013 (Rs.in 000's)	31 March, 2012 (Rs.in 000's)
Traded Goods:		
Opticals	40,894	37,059
Pharmacy	10,078	9,195
IOL	15,535	13,723
Total	66,507	59,977

Notes forming part of the financial statements (Contd.)**Note 14 Trade receivables**

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
a) Trade Receivables outstanding for a period exceeding six months from the date they were due for payment : Unsecured, considered good	9,499	17,620
b) Others Unsecured, considered good	42,956	32,834
Total	52,455	50,455

Note 15 Cash and Bank balances

Particulars	31 March, 2013 (Rs.in 000's)	31 March, 2012 (Rs.in 000's)
(a) Cash on hand	4,031	3,177
(b) Cheques, drafts on hand	-	149
(c) Balances with banks		
(i) In current accounts	33,013	21,896
(ii) In deposit accounts with original maturity of less than 3 months	19,188	13,500
(iii) in dividend accounts	1,044	915
Other Bank Balances		
Term deposit with original maturity of more than 3 months and less than 12 months	200	-
Term deposit with original maturity for more than 12 months	650	300
Total	58,126	39,937

The term deposits included above have been given as security towards the bank guarantees obtained from State Bank of India.

Note 16 Short-term loans and advances

Particulars	31 March, 2013 (Rs. in 000's)	31 March, 2012 (Rs. in 000's)
(a) Capital advances unsecured & considered good	8,384	-
(b) Security Deposits - Unsecured considered good	262	-
(c) Advances Recoverable from others Unsecured, considered good	11,558	10,717
(d) Loans and advances to employees Unsecured, considered good	708	1,865
(c) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	15,872	8,624
Total	36,784	21,207

Notes forming part of the financial statements (Contd.)**Note 17 Other current assets**

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
a) Other Receivables (unsecured, considered good)		
(i) from related parties	9,795	14,195
(ii) from others	3,224	-
b) Accruals : Interest accrued on deposits	773	145
Total	13,792	14,340

Note 18 Revenue From Operations

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Sale of Products	326,199	321,389
Sale of Services	758,974	713,606
Total	1,085,173	1,034,995
<u>Traded Goods</u>		
Income From Supply of Medicines	90,595	84,722
Income From Opticals	233,097	236,667
Sale of food items	2,507	-
Total	326,199	321,389

Note 19 Other Income

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Net gain on foreign currency transactions and translation (other than considered as finance cost)	116	433
Interest On Income Tax Refund	-	293
Other Interest Income (TDS -Rs. 53,925/-)	1,403	820
Dividend Received	-	32
Rental Income From Operating Lease	-	180
Prior Period Incomes	305	724
Miscellaneous Income	562	1,877
Sponsorship Received	-	123
Discount Received	3,643	12,464
Sundry Creditors Written Back	1,596	200
Excess Provision Written Back	3,915	4,383
Bad Debts Recovered	582	305
Total	12,121	21,834

Notes forming part of the financial statements (Contd.)**Note 20 : Hospital Operative Expenses**

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Clinical Expenses	51,411	50,690
Consultancy Charges	142,735	122,594
Discount Opticals & Inpatients	74	34
Electricity Charges	17,393	17,742
Hospital Maintenance	19,485	17,175
Computer & Consumables	2,307	1,921
Fees Paid	58	23
Gas Consumption	85	30
Insurance Equipments	111	39
Laboratory Expenses	4,119	5,673
Optical Labour Charges	272	426
Patient Food Expenses	-	99
Security Charges	5,765	4,686
Total	243,816	221,132

Note 21 Purchase of Stock -in - Trade

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Opticals	106,180	120,598
Pharamacy	62,701	60,503
IOL	77,365	76,727
Food items	1,400	-
Total	247,646	257,828

Notes forming part of the financial statements (Contd.)

Note 22 : Change in inventories of Finished Goods and Stock in Trade

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Inventories at the beginning of the year:		
Opticals	40,004	26,534
Pharamacy	9,195	5,719
IOL	10,778	8,717
Total (A)	59,977	40,970
Inventories at the end of the year:		
Opticals	40,894	40,004
Pharamacy	10,078	9,195
IOL	15,502	10,778
Total (B)	66,474	59,977
Total (A-B)	(6,497)	(19,006)

Note 23 : Employee Benefits Expenses

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Salaries, Wages And Bonus	207,925	193,466
Keyman Insurance	511	261
Contributions To Provident and Other Funds	10,382	9,856
Staff Welfare	1,818	1,816
Total	220,636	205,398

Note 24 Finance Costs

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Interest:		
On Term Loans	25,512	33,597
On Others	9,910	10,338
Total	35,422	43,935

Notes forming part of the financial statements (Contd.)**Note 25 Other Expenses**

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Advertisement & Publicity	151	252
Entertainment Expenses	349	6,678
Books & Periodicals	80	77
Brokerage Expenses	35	25
Conference Expenses	-	30
Directors Remuneration	8,702	11,450
Boarding & Lodging	4,982	1,191
Interior Decoration Expenses	-	241
Listing Fees	44	43
Bank Charges	2,639	2,059
Office Maintenance	545	510
Share Transfer Agent Fees	113	109
Sitting Fees	54	30
Software Development Charges	100	290
Interest Paid	-	65
Vehicle Maintenance	10,010	7,664
Water Consumption	1,414	1,377
Rent Including Lease Rentals	132,360	128,201
Repairs & Maintenance - Equipments	1,682	1,892
Repairs & Maintenance - AMC	4,588	9,000
Repairs & Maintenance - Others	5,636	9,583
Insurance	3,450	2,993
Rates and Taxes	683	598

Notes forming part of the financial statements (Contd.)

Particulars	31 March, 2013 (Rs. in '000s)	31 March, 2012 (Rs. in '000s)
Telephone Expenses	5,161	4,756
Internet Charges	4,062	3,609
Travelling and Conveyance :		
- Domestic	6,766	5,868
- Foreign	1,410	1,815
Traveling Expenses - Others	4,602	2,892
Printing and Stationery	5,074	6,719
Postage Expenses	1,691	1,893
Business Promotion	5,101	4,115
Marketing Expenses	17,977	23,380
Contribution towards Scientific Research	20,041	-
Legal and Professional Charges	1,028	850
Payments to Auditors (Refer Note (i) Below)	1,801	1,609
Impairment of Assets	238	191
Sundry Debtors Write off	2,142	12,996
Prior Period Items	2,478	3,599
Miscellaneous Expenses	1,224	2,806
Total	258,410	261,456
(i) Payments to the Auditors comprises (Including Service tax where applicable)		
(a) As Auditors		
Audit Fees	843	843
Tax Audit Fees	56	56
(b) In other capacity		
Management Services	727	556
Other Services (Certification fees)	11	31
Reimbursement of Expenses	163	122
Total	1,801	1,609

Notes forming part of the financial statements (Contd.)**26) 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 1/10th 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. 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.

- **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.

27. Expenditure incurred in foreign currency towards Foreign travel, Subscription for magazines, Membership fees during the year amounts to Rs.14,09,719/- (P.Y. Rs. 4,16,735/-).

28. Earnings in Foreign currency towards Consultancy Services and other Surgeries during the year amounts to Rs.1,78,46,233/- (P.Y. Rs.1,48,43,470/-)
29. The CIF value of Machinery imported during the year is Rs.Nil /- (P.Y. Rs.1,73,47,762/-).
30. Quantitative particulars of Medicines and Opticals for the year ended 31.03.2013 are given below:

Particulars	Quantity (No's)		Value (Rs.)	
	Opticals (Frames)	Pharmacy	Opticals	Pharmacy
Opening Stock	35,656	7,43,998	3,70,59,489	91,94,770
Purchases	1,58,640	48,98,479	2,90,39,889	6,25,75,689
Sales	1,38,060	49,02,861	2,96,62,321	6,16,92,788
Closing Stock	56,236	7,39,616	3,64,37,057	1,00,77,671

31. 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.
32. 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.

33. Impairment of Assets

On a review as required by AS 28, the amount of Impairment loss charged to Profit & Loss A/c during the F.Y.2012 -13 is Rs.2,37,575/- (P.Y Rs.1,91,380/-)

34. Intangible Assets

As per AS 26, 1/10th of Goodwill amounting to Rs.22,85,992/- has been amortized during the year. (P.Y.Rs.22,83,328/-)

35. Claims against the Company not acknowledged as debt is Rs. Nil.

36. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Net of Advances is Rs. 20,57,214/- (P.Y. Rs. Nil /-)

37. The Company has incurred Rs.2,00,40,946/- as contribution towards Scientific Research of Eye Research Centre during the year (Previous Year : Rs. Nil)

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

(Rs. in '000s)

Sl. No.	Particulars	Year to date figures for the current period ended 31/03/2013 audited	Year to date figures for the previous period ended 31/03/2012 audited
I	SEGMENT-REVENUE		
	Medical Services	8,49,569	7,98,328
	Trading Activities	2,35,604	2,36,667
	Total Income	10,85,173	10,34,995
	Others (Unallocable) – Net	12,121	21,834
	Income from Operations	10,97,295	10,56,829
II	SEGMENT-RESULTS		
	Medical Services	51,722	43,560
	Trading Activities	28,042	29,604
	Profit before Interest and Tax	79,764	73,164
	Less: Interest	35,422	43,936
	Profit Before Tax	44,342	29,228
III	CAPITALEMPLOYED		
	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.		

39. Related Party Disclosures

A) Related parties and their relationship

1. Holding Company

- ◆ Dr.Agarwal's Health Care Limited.

2. Group Companies with whom the Company has transactions

- ◆ Orbit International
- ◆ Dr.Agarwal's Eye Institute
- ◆ Senses Pharmaceuticals Limited
- ◆ Dr.Agarwal's Opticals Limited

3. Key Management Personnel

- ◆ Dr.Amar Agarwal
- ◆ Dr.Athiya Agarwal
- ◆ Dr.Adil Agarwal

B. Transaction with related parties for the year ended March 31, 2013

Nature of Related Party	Nature of Relationship	Nature of Transaction	Transaction Value Rs.	Outstanding amounts carried in the Balance Sheet Rs.
Orbit International	Partnership of Relatives of Key Management Personnel	Payment of Rent License Fee Deposit	1,06,28,960 Nil	Nil (Cr) 4,25,00,000 (Dr)
Dr. Agarwal's Eye Institute	Partnership of Relatives of Key Management Personnel	Payment of Rent Reimbursement of Expenses Rent Advance	6,14,16,000 1,31,95,772 Nil	Nil 36,65,055 (Dr) 4,17,37,000 (Dr)
Dr. Amar Agarwal	Chairman and Managing Director	Remuneration	36,00,000	Nil
Dr. Athiya Agarwal	Whole time Director	Remuneration	36,00,000	Nil
Dr. Adil Agarwal	Whole time Director	Remuneration	15,01,560	Nil
Senses Pharmaceuticals Ltd	Common Directors	Rent Received	Nil	1,50,000 (Dr)
Dr. Agarwal's Health Care Ltd	Holding Company	Management consultancy services Business support services	2,00,45,310 96,12,818	97,94,181 (Dr)
Dr. Agarwal's Opticals Ltd	Common Directors	Reimbursement of expenses	10,75,280	Nil

40. Earnings Per Share (EPS) computed in accordance with Accounting Standard - 20:

PARTICULARS	31.03.2013	31.03.2012
Profit after tax (Rs.)	3,13,96,469	1,59,85,447
Number of shares issued	45,00,000	45,00,000
The nominal value per equity share (Rs.)	10	10
Basic / Diluted EPS (Rs.)	6.98	3.55

41. Previous year figures have been recasted/restated to conform to the classification of the current year.

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 for**

I/We hereby record my/our presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at the registered office of the Company 19, Cathedral Road, Chennai 600 086 at 10.00 AM on Tuesday, August 13, 2013.

Signature of the attending Member/Proxy :

TEAR HERE

PROXY FORM

I/We.....
of..... being a member/members of Dr. Agarwal’s 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 August 13, 2013 at 10.00 AM and at any
adjournment thereof.

Affix Re.1
Revenue
Stamp

Signed this day of 2013

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.



Dr. Agarwal's Eye Hospital Ltd

Contribution to Ophthalmology with Innovative Surgical Technique

Glued IOL

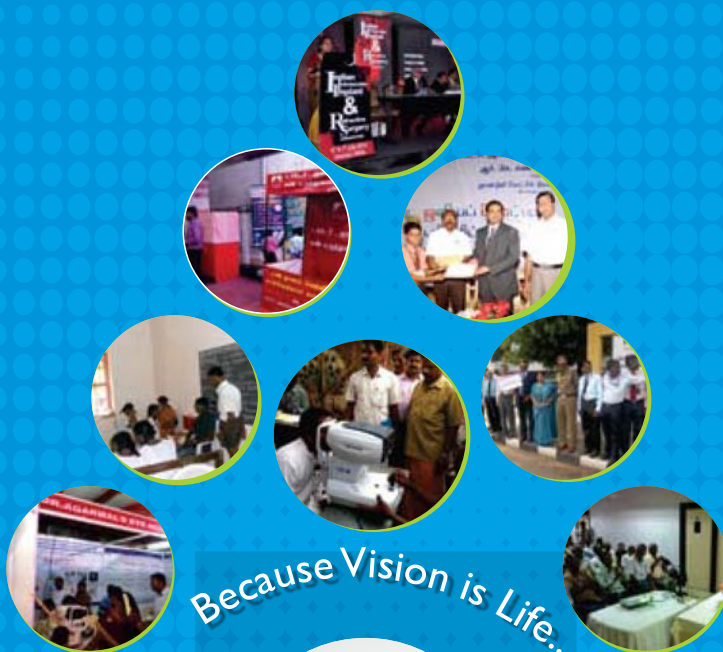
IOL implantation with fibrin glue in aphakic eyes
(Eyes without lens capsule)

IOL Scaffold

Novel technique for complicated Cataract cases

More than 5000 patients benefited from Glued IOL technique*

* Data on file



Because Vision is Life...



Spreading awareness on Eye Care



Dr. Agarwal's Eye Hospital Ltd

Reaching out to serve common man in his neighbourhood

Chennai

Anna Nagar
Ashok Nagar
Avadi
Nanganallur

Nungambakkam
Periyar Nagar
Porur
Kolathur

Triplicane
Velachery
Tiruvallur

Rest of Chennai

Kumbakonam
Vellore
Villupuram
Erode

Neyveli
Krishnagiri
Dharmapuri
Kanchipuram

Salem (Near Busstand)
Panruti
Hosur
Gugai(Salem)

Main Hospital: 19, Cathedral Road, Chennai

Rajasthan: Jaipur

Retina Foundation: Gopalapuram, Chennai

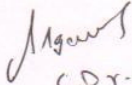


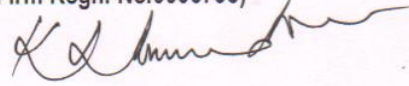
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FORM A

audit

Format of covering letter of the annual report to be filed with the stock exchanges

1.	Name of the Company:	Dr. Agarwal's Eye Hospital Ltd.
2.	Annual stand-alone financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	<div>  (DR. AMAR AGARWAL) </div> <div>  (S. RAMASUDAM) </div> <div>  (M.R.G. APPA RAO) </div> <div> <p>Refer our Audit Report dated May 27, 2013 on the financial statements of the Company.</p> <p>For M.K Dandeker & Co., (Firm Regn. No.0006795)</p>  <p>K.J. Dandeker Partner Chartered Accountants Membership No 018533</p> </div>